



Ludlow Jute & Specialities Limited

Annual Report 2014

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Cautionary Statement

Statement in the 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

CORPORATE INFORMATION

Thirty Fifth Annual Report 2013-2014

BOARD OF DIRECTORS

Shri S. S. Kanoria
Chairman Emeritus

Shri A. C. Mukherji
Director

Shri R. V. Kanoria
Director

Shri J. K. Bhagat
Director

Shri I. P. Poddar
Director

Shri B. Choudhuri
Director

Shri L. G. Toolsidass
Director

Shri S. Kapur
Director

Shri Ajay Kumar Todi
Managing Director
(w.e.f. 1st July, 2014)

COMPANY SECRETARY

Smt Puja Guin

CHIEF FINANCIAL OFFICER

Shri R. K. Gupta

AUDITORS

Singhi & Co.

Chartered Accountants

BANKERS

Central Bank of India

Allahabad Bank

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited

12/1/5, Manoharpukur Road

Ground Floor, Kolkata - 700 029

Phone : 91 33 4072 4051 / 52 / 53

Fax : 91 33 4072 4050

REGISTERED OFFICE

6, Nandalal Basu Sarani

(Formerly Little Russell Street)

Kolkata - 700 071

Phone : 91 33 2283 9081

Fax : 91 33 2283 9078

WORKS

P.O. Chengail, Howrah - 711 308 West Bengal, India

Phone : 91 33 2642 8366

Fax : 91 33 2642 8367

Notice

TO THE MEMBERS

NOTICE is hereby given that the Thirty Fifth Annual General Meeting of the members of **LUDLOW JUTE & SPECIALITIES LIMITED** will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700020 on, Friday 5th September, 2014 at 3:00 p.m to transact the following businesses :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2014.
3. To appoint a Director in place of Shri Lalit Gopaldass Toolsidass (Shri L.G. Toolsidass), (holding DIN 00117771), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Jugal Kishore Bhagat (Shri J.K. Bhagat), (holding DIN 00055972) 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 pursuant to the provision of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty eighth Annual General Meeting of the Company, on a remuneration to be mutually agreed upon with the Board of Directors subject to ratification by the members at every Annual General Meeting.”

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT Shri Ajay Kumar Todi, (holding DIN 00004380), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st July, 2014, in terms of section 161(1) of the Companies Act, 2013 and Article 84 of Article of Association of the Company and whose terms of office expires at the annual general meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be hereby appointed as Director of the Company.”
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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (the Act) read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the consent of the Company be and is hereby accorded to the appointment of Shri Ajay Kumar Todi, (holding Din 00004380) as Managing Director of the Company for a period of five years with effect from 1st July, 2014, on the terms and conditions including remuneration as are set out in the Agreement executed by the Company with Shri Ajay Kumar Todi on 1st July, 2014, 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 and incentives as the Board may consider appropriate, subject to the limits contained in the relative provisions of the Act or any amendment thereto from time to time.”
8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
“RESOLVED THAT pursuant to the provisions of Section 188 and any other applicable provisions of the Companies Act, 2013 (the Act) read with Rule 15(3) of The Companies (Meetings of Board and its Powers) Rules, 2014, Shri Shyam Sundar Kanoria, a relative of Shri Rajya Vardhan Kanoria, a director of the company, be appointed as Chairman Emeritus of the Company from this Annual General Meeting at perquisites not exceeding ₹ 12,00,000/- (Rupees twelve lakh only) per annum.”
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Satish Kapur (holding DIN 00051163), Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019.”

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Jugal Kishore Bhagat (Shri J. K. Bharat), (holding DIN 00055972), Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Arun Charan Mukherji (Shri A. C. Mukherji), (holding DIN 00063975), Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Lalit Gopaldass Toolsidass (Shri L. G. Toolsidass), (holding DIN 00117771), Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Iswari Prasad Poddar (Shri I. P. Poddar), (holding DIN 00507074), Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Biswajit Choudhuri (Shri B. Choudhuri), (holding DIN 00149018), Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to the conclusion of the 40th Annual General Meeting of the Company to be held in the calendar year 2019."

15. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of earlier resolution passed by Shareholders at the Annual General Meeting held on 4th September, 1991 under Section 293(1)(d) of the Companies Act, 1956 and subject to the provisions of Section 180(1)(c), 180(2) and other applicable provisions and Rules, if any, of the Companies Act, 2013, any amendments/enactments/re-enactments thereof, consent of the Company be hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" and which term shall be deemed to include any duly authorised committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time and in any manner, any sum or sums of money upon such terms and

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conditions and with or without security as the Board may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed the aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers/Lenders in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed ₹ 60 Crores (Rupees sixty crores only)."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

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

"RESOLVED THAT in supersession of earlier resolution passed by Shareholders at the Annual General Meeting held on 7th September, 1999 under Section 293(1)(a) of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) thereof) under Section 180(1)(a) and other applicable provisions and Rules, if any, of the Companies Act, 2013, (including any amendment thereto or enactment/re-enactment thereof), to sell, lease or otherwise dispose of whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings or create such charges, mortgages, hypothecations and pledges in addition to the existing charges, mortgages, hypothecations and pledges created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events, in favour of the Banks/Financial Institutions/NBFCs/Lenders, other investing agencies and trustees for the holders of debentures/bonds and/or other securities/instruments to secure rupee/foreign currency loans and/or the issue of any securities/debentures whether partly/fully convertible or non-convertible and/or securities linked to ordinary shares and/or rupee/foreign currency convertible bonds/securities and/or bonds/securities with detachable share warrants and any other form of loan/borrowing of whatever nature or by whatever name (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of ₹ 60 Crores (Rupees sixty crores only).

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

17. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 25,000/- (Rupees twenty five thousand only), plus traveling and other incidental expenses payable to M/s. Prasad & Company., Cost Accountants (Registration No. 4014), who has been appointed by the Board of Directors of the Company as Cost Auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2015 be and is hereby ratified."

Kolkata 29th July, 2014
CIN: L65993WB1979PLC032394
Registered Office:

6, Nandalal Basu Sarani
(formerly Little Russell Street)

Kolkata-700 071

Ph: 91-33-2283-9081/9082/9083

Fax: 91-33-2283-9078/4503

e-mail : info@ludlowjute.com

investors.grievance@ludlowjute.com

Website: www.ludlowjute.com

By Order of the Board
Ludlow Jute & Specialities Limited

CS Puja Guin
Company Secretary

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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy in order to be effective, must be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
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 Register of the Company shall remain closed from Friday, 22nd August, 2014 to Friday, 5th September, 2014 (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 21st August, 2014 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 21st August, 2014.
5. Dividend which remains 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 124 and 125 of the Companies Act, 2013. 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. Members holding shares in physical forms are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease of portfolio management. Members can contact the Company or MCS Share Transfer Agent Limited.
8. Members/ Proxies 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. 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.
11. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Registrar and Share Transfer Agents for consolidation into a single folio.
12. In case of joint holders attending the meeting, the Members whose names appears as the first holders in the order of names as per the Registrar of Members of the Company will be entitled to vote.
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 Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026 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. Members are requested to bring their copy of the Annual Report to the meeting.
16. 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 still wants the stickers with the Company's new name, they may write to the Company or to the Registrars for the required number of stickers.

17. 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, has been provided in the Corporate Governance Report.

18. Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the company or with the Depository. Members who have not yet registered their e-mail address with the Company or their respective Depository are requested to do so.

19. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with MCS Share Transfer and Agent Limited/ Depositories.

20. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed.

21. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Clause 35B of the Listing Agreement, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. The e-voting rights of the Members/ beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 1st August, 2014. (Cut-off date fixed for this purpose). **The e-voting period will commence at 10.00 a.m on Saturday, 30th August, 2014 and will end at 6.00 p.m. on Monday, 1st September, 2014.** The Company has appointed CS Arani Guha, Practicing Company Secretary, to act as scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this Notice.

22. A copy of this notice has been placed on the website of the Company and the website of CDSL.

Kolkata 29th July, 2014
CIN: L65993WB1979PLC032394
Registered Office:
6, Nandalal Basu Sarani
(formerly Little Russell Street)
Kolkata-700 071
Ph: 91-33-2283-9081/9082/9083
Fax: 91-33-2283-9078/4503
e-mail : info@ludlowjute.com
investors.grievance@ludlowjute.com
Website: www.ludlowjute.com

By Order of the Board
Ludlow Jute & Specialities Limited

CS Puja Guin
Company Secretary

Annexure to the Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013.

1. Item No. 6

The Board of Directors of the Company ("The Board") had, pursuant to the Provisions of section 161(1) of the Companies Act, 2013 and Article 84 of the Articles of Association of the Company, at its meeting held on 1st July, 2014 appointed Shri Ajay Kumar Todi as the Additional Director of the Company, with immediate effect.

As required under section 160 of the Companies Act 2013, the Company has received a notice in writing from a member along with a deposit of Rupees One Lakh signifying his intention to propose the candidature of Shri Ajay Kumar Todi for the office of the Director of the Company.

Spanning 29 years, Shri Ajay Kumar Todi has hands – on wide experience in Marketing, Finance, Info Systems & Commercial, practical plant and project management experience coupled with Internal Control Systems and Audit-backed with academic credentials. Shri Ajay Kumar Todi holds an MBA with specialization in Marketing, is a qualified Chartered Accountant and also a Cost & Works Accountant. He also hold a diploma in Business Finance from ICFAI. He has successfully attended several world class programs including the University of Michigan's program for Marketing Strategy and the OBL (Orgn Business Leadership), PEP (Personal Effectiveness) & TEP (Team Effectiveness) Programs as well. He has travelled worldwide.

Names of the other companies in which Shri Ajay Kumar Todi also holds the directorship:	1. Sijberia Industries Limited 2. Ludlow Exports Limited
Names of the other companies in which Shri Ajay Kumar Todi also holds membership of the Committee of the Board :	None

Number of shares held in the Company : 500 shares

The Board recommends passing of the the proposed Ordinary Resolution in relation to appointment of Shri Ajay Kumar Todi as Director of the Company, for approval by the members of the Company.

Except Shri Ajay Kumar Todi, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 6. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the BSE Limited.

2. Item No. 7

Subject to the approval of the Members of the Company in General Meeting, the Board of Director of the Company at its Meetings held on 1st July, 2014 has appointed Shri Ajay Kumar Todi as the Managing Director of the Company for a period of five years with immediate effect and upon the terms and conditions, including remuneration, as set out in the Agreement executed between the Company and Shri Ajay Kumar Todi on 1st July, 2014 an abstract of which is given below.

i) Salary

Basic Salary Rs. 2,35,000/- (Rupees two lacs thirty five thousand only) per month. The Board may at its discretion, consider and grant an annual increment upto 50% of the last drawn salary, within the permissible limits as prescribed in Schedule V to the Companies Act, 2013 or any amendment thereto.

ii) Commission

At the rate of 1 % (one percent) of the net profits of the Company for each financial year, computed in the manner laid down in Section 197 of the Companies Act, 2013 and restricted to the amount equal to the annual basic salary and shall be payable on pro-rata basis for any broken period/financial year.

iii) Perquisites

Shri Ajay Todi shall also be entitled to the following perquisites in addition to salary and commission, being restricted to an amount not exceeding 85% (eighty-five percent) of his annual salary. Unless the context otherwise requires, the perquisites are classified into three categories A, B, and C as follows:

Category – A

This will comprise of Rent-free accommodation or House rent allowance in lieu thereof, medical reimbursement, leave travel allowance, special allowance, fees of clubs and personal accident insurance. These may be provided for as under:

Annexure to the Notice

Housing

Monthly House Rent Allowance to the maximum extent of 60% (sixty percent) of the Basic Salary.

Reimbursement of expenditure on Gas, Electricity, Water and Furnishings which shall be valued as per the Income Tax Rules, 1962.

Medical Reimbursement

Reimbursement of expenses actually incurred on self and family not exceeding an amount equal to one month's basic salary.

Leave Travel Concession

For self and family once in a year, to and from any place in India, not exceeding an amount equal to two month's basic salary.

Special Allowance

Special Allowance shall be paid not exceeding an amount equal to 20% (twenty percent) of Basic Salary.

Club Fees

Fees of Clubs subject to a maximum of two clubs shall be paid. This will not include admission and life membership fees.

Personal Accident Insurance

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

Category - B

Contributions to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites/remuneration to the extent these singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity not exceeding half a month's salary for each completed year of service. This will not be included in computation of ceiling on perquisites/remuneration.

Consolidated leave of 45 days including sick and casual leave with pay for each completed year of service. Encashment of unavailed leave will be permitted as per the rules of the Company, subject to a maximum of 10 (ten) months' basic salary and will not be included in the computation of the ceiling on perquisites/remuneration.

Category - C

Provision of official Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance telephone calls and use of official Car for private purpose, if any, shall be billed by the Company to Shri Ajay Kumar Todi.

Reimbursement of conveyance expenses up to Rs. 30,000/- (Rupees thirty thousand only) per month will be made further and this will not be included in computation of ceiling on perquisites/ remuneration.

Perquisites shall be evaluated as per Income Tax Rules, 1962, wherever applicable and in the absence of any such rules, perquisites shall be valued at actual cost.

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of Shri Ajay Kumar Todi, the Company may pay him, in respect of such financial year, remuneration by way of consolidated salary, perquisites and allowances as minimum remuneration in accordance with the limits prescribed in Schedule V to the Companies Act, 2013 or any amendment thereto, as may be applicable at the relevant time.

About Shri Ajay Kumar Todi

Spanning 29 years, Shri Ajay Kumar Todi has hands – on wide experience in Marketing, Finance, Info Systems & Commercial, practical plant and project management experience coupled with Internal Control Systems and Audit- backed with academic credentials. Shri Ajay Kumar Todi holds an MBA with specialization in Marketing, is a qualified Chartered Accountant and also a Cost & Works Accountant. He also hold a diploma in Business Finance from ICFAI. He has successfully attended several world class programs including the University of Michigan's program for Marketing Strategy and the OBL (Orgn Business Leadership), PEP (Personal Effectiveness) & TEP (Team Effectiveness) Programs as well. He has travelled worldwide.

Your Directors feel that it will be advantageous to appoint Shri Ajay Kumar Todi as Managing Director of the Company with liberty to the Board of Directors to vary the terms as mentioned in the resolution.

Annexure to the Notice

The Special Resolution set out at item no.7 of the annexed Notice is intended to obtain approval of the Members for the appointment of Shri Ajay Kumar Todi and payment of remuneration as mentioned above to him as Managing Director of the Company. Copy of the Agreement executed between the Company and Shri Ajay Kumar Todi on 1st July, 2014 is available for inspection of members at the registered office of the Company and will also be available at the venue of the meeting.

Except Shri Ajay Kumar Todi, being an appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 7. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with BSE Limited.

The Board of Directors of your Company recommends this special resolution for your approval.

Statement pursuant to clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013

I. General Information

- 1) Nature of Industry Manufacturer of Jute Goods
- 2) 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:

(₹ in lacs)

Year ending 31st March	Revenue From Operations (Net)	Operating Profit	Profit before Tax	Profit after Tax
2010	18921	809	553	334
2011	31082	2444	2175	1453
2012	27617	1056	695	490
2013	27493	1706	1301	844
2014	27556	880	416	268

- 5) Export performance and net foreign exchange collaboration Export for the year 2013-14 was ₹ 4313 lacs
- 6) Foreign Investments or Collaborators, if any The Company does not have any foreign collaborator.

II. Information about the Appointee

- 1) Background Details Spanning 29 years, Shri Ajay Kumar Todi has hands – on wide experience in Marketing, Finance, Info Systems & Commercial, practical plant and project management experience coupled with Internal Control Systems and Audit- backed with academic credentials. Shri Ajay Kumar Todi holds an MBA with specialization in Marketing, is a qualified Chartered Accountant and also a Cost & Works Accountant. He also hold a diploma in Business Finance from ICFAI. He has successfully attended several world class programs including the University of Michigan’s program for Marketing Strategy and the OBL (Orgn Business Leadership), PEP (Personal Effectiveness) & TEP (Team Effectiveness) Programs as well. He has travelled worldwide.
- 2) Past Remuneration ₹ 65,00,000/- (Rupees sixty five lacs only)
- 3) Job profile and his suitability Shri Ajay Kumar Todi 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.

Annexure to the Notice

- | | | |
|----|---|---|
| 4) | Proposed Remuneration | Salary ₹ 2,35,000/- (Rupees two lacs thirty five thousand only) per month (the Board may at its sole discretion, consider and grant an annual increment upto 50% of the last salary drawn, within the permissible limits as prescribed in Schedule V to the Companies Act, 2013 or any amendment thereto from time to time) along with Commission @ 1 % of the net profits computed in the manner laid down under Sections 198 of the Companies Act, 2013 and other perquisites, as spelt out in the explanatory statement hereinabove. |
| 5) | 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. |
| 6) | 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, Shri Ajay Kumar Todi 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 | } | There is profit in the Company at present, but as abundant caution for payment of minimum remuneration to Shri Ajay Kumar Todi, in case of no profit or inadequate profit in any particular year, this information is provided to the shareholders. |
| 2) Steps taken or proposed to be taken for improvement | | |
| 3) Expected increase in productivity and profits in measurable terms | | Due to lack of Govt. orders for sacking the Jute Industry is under server stress. In this situation, the Company is going to face the challenges that lie ahead. |

IV. Disclosures

- For Remuneration Package offered to Shri Ajay Kumar Todi, Managing Director, please refer to item 2 of the Explanatory Statement hereinabove.
- Detailed salary is being disclosed herewith:

Managing Director	Business Relationship with the Company, if any	Total Salary for 2014-2015 (after appointment, calculated on pro-rata basis)
Shri Ajay Kumar Todi	Managing Director	₹ 41,24,250/-

Notes:

- The Managing Director is paid remuneration as per his agreement with the Company. This Agreement had been placed for approval before the Nomination and Remuneration Committee and the Board and subject to the approval of the members, he has been appointed as such, with effect from 1st July, 2014.
- 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	: ₹ 21,15,000/-
Perquisites	: ₹ 17,97,750/-
Provident fund	: ₹ 2,11,500/-
- His appointment is for tenure of five years commencing from 1st July, 2014 to 30th June, 2019.

Annexure to the Notice

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 Managing Director is required to give a notice of three months or three months' salary in lieu thereof.

3. Item no 8

Shri Shyam Sundar Kanoria, at the meeting of the Board of Directors held on 29th July, 2014, has expressed his desire not to continue as the Chairman and Director of the Company due to health reasons and accordingly the Board has accepted his resignation with effect from that date. In view of his invaluable contribution to the Company, your Board of Directors have requested him to accept the position of "Chairman Emeritus".

The details as required to be provided as per Rule 15(3) of The Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

- a) Name of the related party – Shri S. S. Kanoria
- b) Name of the director or key managerial personnel who is related, if any – Shri R.V. Kanoria
- c) Nature of relationship – Shri S. S. Kanoria is father of Shri R.V. Kanoria
- d) Nature, material terms, monetary value and particulars of the contract or arrangement- Perquisites upto limit of ₹ 12 Lakh per annum.
- e) Any other information relevant or important for the members to take a decision on the proposed – In view of his invaluable contribution given by Shri S. S. Kanoria to the Company, your Board of Directors have requested him to accept the position of Chairman Emeritus effective from the conclusion of the Annual General Meeting of the Company scheduled on 5th September 2014, so that his counsel and advise emanating from his vast experience would continue to be available to the Board and the Company. Shri S. S. Kanoria has kindly acceded to the request of the Board to serve as the Chairman Emeritus of the Company.

Shri R. V. Kanoria, Director of the Company being a relative of Shri S. S. Kanoria may be deemed to be concerned or interested in the Special Resolution as shareholders of the Company. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution. Accordingly, the Board recommends the proposed special resolution in relation appointment of Shri S. S. Kanoria as the Chairman Emeritus, for approval by the members of the Company.

The above disclosure may be taken as disclosure for the purpose of Section 102(1) (a) of the Companies Act, 2013.

4. Item no 9

Shri Satish Kapur, aged 69 years, is a non-executive, Independent Director of the Company since 29th January, 2009. Shri Satish Kapur is an industrialist with rich business experience and vast knowledge.

Names of other companies in which Shri Satish Kapur also holds the directorship :	<ol style="list-style-type: none"> 1. Crossley & Towers Private Limited 2. B. N. Kapur Private Limited 3. Helles Investments Private Limited 4. Vantage Paper Board Private Limited 5. Vertex Paperboard Marketing Private Limited 6. Vaikunt Paperboard Private Limited 7. Ospak Cyfox Paper Co. (p) Ltd. 8. Hindusthan Engg. & Industries Limited 9. Jayshree Chemicals Limited
Names of other companies in which Shri Satish Kapur also holds membership of the Committee of the Board:	None

Number of Shares held in the Company: 1000

Shri Satish Kapur is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act), Shri Satish Kapur being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of director by rotation.

Annexure to the Notice

In the opinion of the Board, Shri Satish Kapur fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri Satish Kapur as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting between 10:00 a.m. and 12:00 noon and will also be available for inspection at the annual general meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Satish Kapur as an Independent Director. Accordingly, the Board recommends the proposed Ordinary Resolution in relation to appointment of Shri Satish Kapur as an Independent Director, for approval by the members of the Company.

As required under section 160 of the Companies Act 2013, the Company has received a notice in writing from a member along with a deposit of Rupees One Lakh signifying his intention to propose the candidature of Shri Satish Kapur for the office of the Director of the Company.

Except Shri Satish Kapur, being an appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 9. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with BSE Limited.

5. Item No 10

Shri. J.K. Bhagat, aged 71 years, is a non-executive, Independent Director of the Company since 31st January, 2000. Shri J.K. Bhagat is an industrialist having rich and vast knowledge of jute industry.

Names of other companies in which Shri J. K. Bhagat also holds the directorship :	<ol style="list-style-type: none"> 1. The Naihati Jute Mills Co. Limited 2. Bhagat Refinerers & Chemicals Private Limited 3. Ginni Filaments Limited 4. Shiva Merchantile & Trading Company Private Limited 5. Tyroon Tea Co Limited 6. Dhanlakshmi Trading Corporation Private Limited 7. Vedant Credit Finance Private Limited 8. Reform Flour Mills Private Limited 9. Ludlow Exports Limited 10. Ginni Flour & Food Limited 11. Lotus Enclave Private Limited 12. CFM Infratex Limited 13. Shivshankar Logitex Private Limited 14. BGB Spintex Private Limited
Names of other companies in which Shri. J. K. Bhagat also holds membership of the Committee of the Board:	<ol style="list-style-type: none"> 1. Ginni Filaments Limited (Selection-cum Remuneration Committee, Shareholders'/ Investors' Grievance Committee and Audit Committee) 2. Tyroon Tea Company Limited (Audit Committee and Shareholders'/ Investors' Grievance Committee)

Number of Shares held in the Company : Nil

Shri J.K. Bhagat is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act), Shri J.K. Bhagat being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.

Annexure to the Notice

In the opinion of the Board, Shri J. K. Bhagat fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri J.K. Bhagat as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting between 10:00 a.m. and 12:00 noon and will also be available for inspection at the annual general meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri J.K. Bhagat as an Independent Director. Accordingly, the Board recommends the proposed Ordinary Resolution in relation to appointment of Shri J.K Bhagat as an Independent Director, for approval by the members of the Company.

As required under section 160 of the Companies Act 2013, the Company has received a notice in writing from a member along with a deposit of Rupees One Lakh signifying his intention to propose the candidature of Shri J.K. Bhagat for the office of the Director of the Company.

Except Shri J.K. Bhagat , being an appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 10. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with BSE Limited.

6. Item No 11

Shri. A.C. Mukherji, aged 89 years, is a non-executive, Independent Director of the Company since 14th March, 1996. Shri A.C. Mukherji is a past chairman of New India Assurance Co. and an eminent personality having vast knowledge and experience.

Names of other companies in which Shri. A.C. Mukherji also holds the directorship:	<ol style="list-style-type: none"> 1. Digjam Limited 2. NPR Finance Limited 3. Kirloskar Pneumatic Company Limited
Names of other companies in which Shri A.C. Mukherji also holds membership of the Committee of the Board:	<ol style="list-style-type: none"> 1. Digjam Limited (Shareholders' Grievance Investors Committee and Audit Committee) 2. Kirloskar Pneumatic Company Limited (Audit Committee) 3. NPR Finance Limited (Audit Committee)

Number of Shares held in the Company : Nil

Shri. A.C. Mukherji is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act), Shri. A.C. Mukherji being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.

In the opinion of the Board, Shri. A.C. Mukherji fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri. A.C. Mukherji as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting between 10:00 a.m. and 12:00 noon and will also be available for inspection at the annual general meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri. A.C. Mukherji as an Independent Director. Accordingly, the Board recommends the proposed Ordinary Resolution in relation to appointment of Shri. A.C. Mukherji as an Independent Director, for approval by the members of the Company.

As required under section 160 of the Companies Act 2013, the Company has received a notice in writing from a member along with a deposit of Rupees One Lakh signifying his intention to propose the candidature of Shri A.C. Mukherji for the office of the Director of the Company.

Annexure to the Notice

Except Shri A.C. Mukherji, being an appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 11. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with BSE Limited.

7. Item No 12

Shri L.G. Toolsidass, aged 77 years, is a non-executive, Independent Director of the Company since 28th June, 2007. Shri L.G. Toolsidass is having vast and varied experience in International Trade.

Names of other companies in which Shri L.G. Toolsidass also holds the directorship:	1. Jewraj Investment Private Limited 2. Juteit Private Limited 3. Belvedere Gardens Limited 4. G.T Properties Private Limited
Names of other companies in which Shri L.G. Toolsidass also holds membership of the Committee of the Board:	None

Number of Shares held in the Company : Nil

Shri L.G. Toolsidass is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act),

Shri L.G. Toolsidass being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of director by rotation.

In the opinion of the Board, Shri L.G. Toolsidass fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri L.G. Toolsidass as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting between 10:00 a.m. and 12:00 noon and will also be available for inspection at the annual general meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri L.G. Toolsidass as an Independent Director. Accordingly, the Board recommends the proposed Ordinary Resolution in relation to appointment of Shri L.G. Toolsidass as an Independent Director, for approval by the members of the Company.

As required under section 160 of the Companies Act 2013, the Company has received a notice in writing from a member along with a deposit of Rupees One Lakh signifying his intention to propose the candidature of Shri L.G. Toolsidass for the office of the Director of the Company.

Except Shri L.G. Toolsidass, being an appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 12. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with BSE Limited.

8. Item No 13

Shri I.P. Poddar, aged 79 years, is a non-executive, Independent Director of the Company since 7th October, 1987. Shri I.P. Poddar is an industrialist having rich business experience especially in textiles.

Names of other companies in which Shri I.P. Poddar also holds the directorship:	1. The Calcutta Silk Mfg. Co. Limited 2. Pioneer Transmission Private Limited 3. Shantha Busi-Deals Private Limited 4. Shanta Projects Private Limited 5. Kini Estates Private Limited 6. Subhasree Estates Private Limited
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Annexure to the Notice

Names of other companies in which Shri I.P. Poddar also holds membership of the Committee of the Board:	None
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Number of Shares held in the Company : Nil

Shri I.P. Poddar is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act), Shri I.P. Poddar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.

In the opinion of the Board, Shri I.P. Poddar fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri I.P. Poddar as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting between 10:00 a.m. and 12:00 noon and will also be available for inspection at the annual general meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri I.P. Poddar as an Independent Director. Accordingly, the Board recommends the proposed Ordinary Resolution in relation to appointment of Shri I.P. Poddar as an Independent Director, for approval by the members of the Company.

As required under section 160 of the Companies Act 2013, the Company has received a notice in writing from a member along with a deposit of Rupees One Lakh signifying his intention to propose the candidature of Shri I.P. Poddar for the office of the Director of the Company.

Except Shri I.P. Poddar, being an appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 13. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with BSE Limited.

9. Item No 14

Shri B. Choudhuri, aged 72 years, is a non-executive, Independent Director of the Company since 28th June, 2007. Shri B. Choudhuri holds degree of B. Tech (Hons) and FICWA. He is having rich and varied experience in Engineering, Banking and Finance.

Names of other companies in which Shri B. Choudhuri also holds the directorship:	<ol style="list-style-type: none"> 1. Aditya Birla Chemicals (India) Limited 2. Hindusthan Engineering & Industries Limited 3. Godawari Power and Ispat Limited 4. Maithan Alloys Limited 5. Khaitan Electricals Limited 6. Hira Ferro Alloys Limited.
Names of other companies in which Shri B. Choudhuri also holds membership of the Committee of the Board:	<ol style="list-style-type: none"> 1. Aditya Birla Chemicals (India) Limited (Shareholders' Grievance Committee, Remuneration Committee and Audit Committee) 2. Godawari Power and Ispat Limited (Audit Committee, Nomination Committee and Risk Management Committee) 3. Hindusthan Engineering & Industries Limited (Audit Committee and Remuneration Committee) 4. Hira Ferro Alloys Limited (Shareholders' Grievance Committee, Remuneration Committee and Audit Committee) 5. Khaitan Electricals Limited (Audit Committee)

Annexure to the Notice

Number of Shares held in the Company : Nil

Shri B. Choudhuri is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act), Shri B. Choudhuri being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years up to 31st March, 2019 and whose office shall not, henceforth, be liable to determination by retirement of director by rotation.

In the opinion of the Board, Shri B. Choudhuri fulfills the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter of appointment of Shri B. Choudhuri as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day prior to the date of the meeting between 10:00 a.m. and 12:00 noon and will also be available for inspection at the annual general meeting.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri B. Choudhuri as an Independent Director. Accordingly, the Board recommends the proposed Ordinary Resolution in relation to appointment of Shri B. Choudhuri as an Independent Director, for approval by the members of the Company.

As required under section 160 of the Companies Act 2013, the Company has received a notice in writing from a member along with a deposit of Rupees One Lakh signifying his intention to propose the candidature of Shri B. Choudhuri for the office of the Director of the Company.

Except Shri B. Choudhuri, being an appointee none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 14. This Statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with BSE Limited.

10. Item no. 15

The Shareholder of the Company at its Annual general meeting held on 4th September, 1991 had authorized the Board of Directors of the Company by way of Ordinary Resolution under the provisions of Section 293(1) (d) of the Companies Act, 1956 to borrow monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up shares capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of ₹ 60 crores at any point of time.

However, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ('the Act'), the Board can exercise such borrowing powers only with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 15.

11. Item no. 16

The Shareholder of the Company at its Annual general meeting held on 7th September, 1999 had authorized the Board of Directors of the Company by way of Ordinary Resolution under the provisions of Section 293 (1) (a) of the Companies Act, 1956 to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance.

However, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 ('the Act'), the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of the Members of the Company by way of Special Resolution. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item no. 16.

Annexure to the Notice

12. Item No 17

As recommended by Audit Committee, Board of Directors had appointed M/s Prasad & Company., Cost Accountants (Registration No. 4014), being eligible and having sought re-appointment, as cost auditor of the Company, for a remuneration of Rs. 25,000/- (Rupees twenty five thousand), plus traveling and other incidental expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2014 and ending on 31st March, 2015 as required in terms of directive issued by Cost Audit Branch, Ministry of Corporate Affairs, Government of India.

In terms of Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration is required to be ratified by the members.

The Board recommends passing of the proposed Ordinary Resolution in relation to ratification of the remuneration payable to cost auditor.

Kolkata 29th July, 2014
CIN: L65993WB1979PLC032394
Registered Office:
6, Nandalal Basu Sarani
(formerly Little Russell Street)
Kolkata-700 071
Ph: 91-33-2283-9081/9082/9083
Fax: 91-33-2283-9078/4503
e-mail : info@ludlowjute.com
investors.grievance@ludlowjute.com
Website: www.ludlowjute.com

By Order of the Board
Ludlow Jute & Specialities Limited

CS Puja Guin
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, 2014. (₹ in crores)

	2013-2014	2012-2013
FINANCIAL RESULTS		
Profit before Depreciation	8.80	17.06
Less : Depreciation	4.64	4.05
Profit for the year	4.16	13.01
Less : Provision for Current Taxation	1.25	2.78
Less: Provision for Deferred Taxation	0.12	1.78
Less : Income Tax for earlier years	(0.48)	0.01
Deferred Tax for earlier years	0.59	–
Profit after Tax	2.68	8.44
Add: Balance brought forward from last year	21.55	17.10
Balance carried forward and available for appropriation	24.23	25.54
Appropriated as under :		
Transfer to General Reserve	0.13	0.84
Proposed Dividend	1.62	2.69
Corporate Dividend Tax	0.27	0.46
Balance carried to Balance Sheet	22.21	21.55

DIVIDEND

In view of the working results during the year, the Board of Directors are pleased to recommend a dividend of ₹ 1.50 per share (i.e. 15%) on 1,07,73,120 equity shares, aggregating to ₹ 1,61,59,680.00 excluding Corporate Dividend Tax of ₹ 27,46,338.00 subject to approval of the members of the Company.

OPERATIONS

During the year under review, the Company's sale was ₹ 275.74 crores (including export of ₹ 43.13 crores) against sales of ₹ 275.42 crores (including export of ₹ 66.48 crores) during the previous year. The production during the financial year was 48501 M.T. against 49190 M.T. during the previous year.

The Indian Jute Industry remained largely affected due to the Government's decision to further dilute The Jute Packaging Material Act, 1987 in respect of mandatory jute packaging for sugar to 20% from 40%. Drop in demand for food grains packaging has resulted in increase in Finished Goods inventories as well. Drastic production cuts have been effected in almost all mills in the industry with some mills forced to suspend production. The Indian Jute Mills Association has requested various State Government and Central Government authorities for restoration of 100% reservation for packaging of food grains and sugar in jute bags.

Export of jute yarn has declined due to competition from subsidized Bangladeshi exports. Bangladeshi yarn exporters enjoy a 10% export subsidy on Jute goods. Significantly higher labour and power costs along with the extra export subsidy granted by Bangladesh Govt. to the local Jute Industry in Bangladesh, are making the Indian Jute Industry uncompetitive.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Being a natural bio degradable eco-friendly fibre, use of jute for packaging of food grains and sugar has been encouraged by Government of India vide JPM(Jute Packaging Materials) Act, 1987. However, Government of India has diluted the same to the extent of 90% for food grain and 40% in case of Sugar. The jute industry is committed towards increasing the public awareness for use of the eco friendly jute fibre to reduce the environmental load caused by use of synthetics. The Jute Industry is amongst the highest wage paying industries in India. This is now making the Industry unviable in face of competition.

Directors' Report

OPPORTUNITIES

Being a natural, renewable, biodegradable and eco-friendly product, Jute is suitable for minimising the ecological problems that are increasingly visible due to non-biodegradable toxic waste generated out of synthetics like HDPE/PP etc. Jute is versatile and with the right application development has prospects of usage as geo-textiles, carpet yarns, apparel, composites, decoratives, upholstery furnishings, and also non-wovens for both technical and non technical purposes. With global shifts in favour of sustainability, jute can feature high in terms of consumer preference subject to creation of the required awareness levels.

THREATS/RISKS AND CONCERNS

Following are the major areas of risks and concerns:

- a) Dilution of the Jute Packaging Material Act, 1987.
- b) Reduction in government food grains procurement levels.
- c) Lack of ground level direct linkage between wages and productivity in real terms in the Jute Industry due to legacy of union led, State Government backed tripartite wage agreement.
- d) Absenteeism of workmen in jute mills resulting not only in idle capacity but also resulting in substantially lower productivity in the absence of skilled workers. Wilful absenteeism without prior notice is a cause of serious concern.
- e) Continuous increases in wage cost due to upward revision in dearness allowances.
- f) Existence of multiple trade unions due to which resolution of workers related issues is time consuming and difficult.
- g) As an agriculture product, availability of raw jute depends on the vagaries of nature. Adverse weather conditions may adversely affect raw jute pricing and availability.
- h) The Company derives its entire revenue from a single primary business segment. Any slowdown of demand in global markets adversely affects demand for jute products.
- i) Bangladeshi Govt. supports its local Jute Industry by providing a 10% export subsidy on Jute goods exports. At the same time, export of Raw Jute is taxed by them. As against this, India allows a meagre 3.92% benefit on yarn export and Indian Raw Jute importers have to pay 4% CVD, and to add to the problem Jute goods imports to India from Bangladesh are duty free under FTA.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

As the Company's business activities fall within a single primary business segment, the disclosure requirement of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable.

OUTLOOK

During the current year, the jute crop is expected to be lower compared to last year. The export market for India, particularly Jute Yarn, is likely to remain depressed. The local demand will be commensurate to growth in food grains output and Government policy for packing food grains and sugar in jute bags which has been decreasing. With increasing competition from export subsidy aided and low wage cost assisted Bangladeshi Jute Industry, the Indian Jute Industry would have to mobilize the required Indian Government support to improve its performance. At the same time, increased focus on jute diversified products shall be the order of the day.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate internal control procedures, which are well supplemented by surveillance of Internal Auditors.

Directors' Report

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

(₹ in lacs)

Particulars	2013-2014	2012-2013
Revenue from Operations (Net)	27556.47	27492.73
Cost of Material Consumed	15440.49	14778.19
Finance Cost	189.92	144.98
Profit After Tax	268.49	844.27
Inventory	3917.65	3708.49

CAUTIONARY STATEMENT

Statements made in this section of the report are based on assumptions and expectations of further events. Actual results could, however, differ from those expressed or implied.

ISO CERTIFICATION

The Company has been recertified under ISO 9001:2008 for all its products/processes which is valid till 4th August, 2014.

The Company has also been certified under ISO 14001:2004 for its Environmental Management Systems and this certificate is valid till 21st December, 2014.

DIRECTORS

- i. Shri J. K. Bhagat and Shri L. G. Toolsidass retire from the Board by rotation, and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.
- ii. Shri Satish Kapur, Shri J. K. Bhagat, Shri A. C. Mukherji, Shri L. G. Toolsidass, Shri I. P. Poddar, Shri B. Choudhuri, non-executive directors, whose period of office are liable to determination by retirement of directors by rotation under the Companies Act, 1956, meet all the criteria of independence laid down under Section 149(6) and the Code for Independent Directors in Schedule IV of the Companies Act, 2013.

Accordingly, the Board appointed all the aforesaid directors as Independent Directors of the Company to hold office for five consecutive years for a term up to 31st March, 2019, whose period of office shall not be liable to determination by retirement of directors by rotation. Their candidatures are proposed by a member of the Company for the position of Independent Director.

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 annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have 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 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, 2014, on 'a going concern' basis.

CORPORATE GOVERNANCE REPORT

The code of Corporate Governance as per 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.

Directors' Report

STATUTORY AUDITORS

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 Auditors to the effect that re-appointment, if made, would be within the prescribed limit under Section 139 and other applicable provisions of the Companies Act, 2013. The Audit Committee and the Board recommends the re-appointment of M/s. Singhi & Co., Chartered Accountants as Statutory Auditors of the Company.

COST AUDITORS

As per directives of the Central Government and in pursuance to the provisions of Section 148 of the Companies Act, 2013 read with rules framed there under, the Company is required to carry out an audit of cost accounts maintained by the Company in respect of each financial year. Accordingly, the Central Government has approved the appointment of M/s. Prasad & Co., Cost Accountants, to conduct the said cost audit for the financial year ended 31st March, 2014.

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.

CONSOLIDATED ACCOUNTS

As per the Listing Agreement with the Stock Exchange, Consolidated Accounts has been annexed with the financial results of the Company.

ACCOUNTS OF SUBSIDIARIES

In view of the general exemption from the applicability of Section 212(8) of the Companies Act 1956, granted by the Ministry of Corporate Affairs, vide its General Circular No.2/2011 dated 8th February 2011, the Audited Statement of Accounts, the Reports of the Board of Directors and Auditors of the Subsidiary Companies are not annexed. Shareholders who wish to have a copy of the full report and accounts of the Subsidiaries will be provided the same on receipt of a written request from them. These documents will also be available for inspection by any shareholder at the Registered Office of the Company and also that of its Subsidiaries on any working day during business hours.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

The Company has also obtained certification under ISO 14001:2004 for its Environmental Management Systems.

APPRECIATION

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

For and on behalf of the Board

Registered Office :

6, Nandalal Basu Sarani
(formerly: Little Russell Street)
Kolkata - 700 071
Dated : 9th May, 2014

S. S. Kanoria
Executive Chairman
DIN : 00089492

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, 2014.

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.
 - Installation of TFC lights to reduce power consumption.
 - Continuous replacement of conventional choke with electronic choke.
 - Optimization of machine speed, particularly in Spinning Frames and S4A Loom.
 - 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.

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

	2013-2014	2012-2013
A. Power & Fuel Consumption :		
1. Electricity :		
a) Purchased :		
Unit (in lacs)	201.60	211.06
Total Amount (₹ in lacs)	1403.41	1460.69
Rate / unit (₹)	6.96	6.92
b) Own Generation :		
Through Diesel Generator		
Unit (in lacs)	3.85	3.58
Unit per litre of Diesel Oil	3.15	3.04
Cost / unit (₹)	20.55	17.44
2. Coal (used for generation of steam in boiler) :		
Quantity (in tons)	165	94
Total Cost (₹ in lacs)	12.97	8.22
Average Rate (₹)	7842	8753
B. Consumption per unit of production :		
Products (Unit: M.T.)	48501	49190
Electricity (KWH)	423.59	436.34
Coal (Steam Kgs)	16	10

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 National Jute Board (NJB), the prime Research body for the Jute Industry and are getting the benefits of Research and Development made by the Association.

Annexure to the Directors' Report

(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 ₹ 4130 lacs as against ₹ 6300 lacs in the last year.

(b) Total foreign exchange used and earned :

Used	₹	1989 lacs
Earned	₹	4130 lacs

For and on behalf of the Board

Registered Office :

6, Nandalal Basu Sarani
(formerly: Little Russell Street)
Kolkata - 700 071
Dated : 9th May, 2014

S. S. Kanoria
Executive Chairman
DIN : 00089492

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, 2014 in respect of the employees in respect of remuneration* for the year, aggregating not less than ₹ 60,00,000/- per year or ₹ 5,00,000/- per month.

Name/Age	Designation	Gross Remuneration Received (₹)	Qualification & Experience	Date of Joining	Last Employment
Shri J.P. Sonthalia (69 years)	Managing Director	67,31,149	B.Tech (Chem.), MBA (over 46 years)	17.08.2011	Kanoria Chemicals & Industries Limited as Managing Director

*Gross Remuneration received includes Salary, Allowances, Medical Benefits, Commission, Company's Contribution to Provident Fund and value of Perquisites but excludes contribution to Gratuity Fund & Leave Encashment.

For and on behalf of the Board

Registered Office :

6, Nandalal Basu Sarani
(formerly: Little Russell Street)
Kolkata - 700 071
Dated : 9th May, 2014

S. S. Kanoria
Executive Chairman
DIN : 00089492

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance involves a set of relationships between the Company's management, its Board, its shareholders and other stakeholders and is a set of systems and practices aiding accountability, transparency, fairness in its transactions and meeting stakeholders' aspirations and societal expectations.

At Ludlow, Corporate Governance has always been a focal point of attention with emphasis on the complete well-being of all constituents. The Company emphasises the need for transparency and accountability in its transactions, in order to protect the interests of all stakeholders.

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, 2014 is 9 (nine), comprising of 7 (seven) non-executive, out of which 6 (six) are non-executive, Independent Directors. More than 75% of the present Board is non-executive. The Board is headed by the Executive Chairman. The Company therefore meets with the requirements relating to the composition of the Board of Directors as laid down in clause 49 of the Listing Agreement.

2.2 Membership of Board Committees

None of the Directors are members of more than 10 committees and Chairman of more than 5 committees (as specified in clause 49), across all the Companies in which they are Directors. The necessary disclosures regarding committee memberships/ chairmanships have been made by the Directors.

2.3 Number of Board Meetings held

Four (4) meetings of the Board of Directors were held during the year ended 31st March, 2014. 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. 15th May, 2013
2. 12th August, 2013
3. 14th November, 2013 and
4. 21st January, 2014

2.4 Details of Directors

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, 2014 are as follows :

Report on Corporate Governance

Name of Directors	Position held	Category/ Classification	No. of Board Meetings attended	Attendance in last AGM	No. of shares held	No. of other Directorships	Details of other Board Committees Membership	
							Member	Chairman
Shri S. S. Kanoria	Chairman	Executive, Promoter	4	No	5200	4	-	-
Shri R. V. Kanoria	Director	Non-Executive Non-Independent, Promoter	4	Yes	5100	7	1	1
Shri A. C. Mukherji	Director	Non-Executive Independent	4	Yes	-	3	2	2
Shri J. K. Bhagat	Director	Non-Executive Independent	3	No	-	6	4	-
Shri I. P. Poddar	Director	Non-Executive Independent	4	Yes	-	1	-	-
Shri B. Choudhuri	Director	Non-Executive Independent	4	Yes	-	7	2	5
Shri L. G. Toolsidass	Director	Non-Executive Independent	4	Yes	-	1	-	-
Shri Satish Kapur	Director	Non-Executive Independent	3	No	1000	2	-	-
Shri J.P. Sonthalia	Managing Director	Executive	4	Yes	-	4	-	-

The number of directorships is 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 two committees, viz. the Audit Committee and the Share Transfer and Shareholder's Grievance Committee are considered.

Shri R.V Kanoria, Director of the Company is related to Shri S.S. Kanoria, Executive Chairman as per Section 6 of the Companies Act, 1956. Shri R.V. Kanoria is son of Shri S.S. Kanoria.

2.5 Remuneration of Directors (Executive and Non-Executive)

Sitting fees for attending Board/Committee meetings are paid to the Non-Executive Directors. The Non-Executive Directors are not paid any commission. The details of sitting fees and the remuneration paid to the Executive and Non-Executive Directors are given below :

A. Non-Executive Directors

Name of the Directors	Sitting fees (₹)	Salary (₹)	Commission (₹)	Service Contract	Notice Period	Stock Options
Shri R. V. Kanoria	40000.00	-	-	N.A.	N.A.	N.A.
Shri J. K. Bhagat	57500.00	-	-	N.A.	N.A.	N.A.
Shri A. C. Mukherji	60000.00	-	-	N.A.	N.A.	N.A.
Shri I. P. Poddar	80000.00	-	-	N.A.	N.A.	N.A.
Shri B. Choudhuri	65000.00	-	-	N.A.	N.A.	N.A.
Shri L. G. Toolsidass	82500.00	-	-	N.A.	N.A.	N.A.
Shri Satish Kapur	30000.00	-	-	N.A.	N.A.	N.A.

Report on Corporate Governance

Notes :

1. The Executive Chairman is paid remuneration as per his agreement with the Company.
2. His appointment is for tenure of three years commencing from 01.10.2013 to 30.09.2016.
3. *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. 33,00,000.00
Perquisites	: -
Provident fund	: Rs. 3,30,000.00

(the above does not include provision for gratuity and leave encashment).

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 Chairman is required to give a notice of three months or three months' salary in lieu thereof.

B. Executive Chairman

Name	Designation	Sitting fees (₹)	Salary* (₹) during 2013-2014
Shri J. P. Sonthalia	Managing Director	Nil	67,31,149.00

Notes :

1. The Managing Director is paid remuneration as per his agreement with the Company. His appointment is for tenure of three years commencing from 17.08.2011 to 16.08.2014. But he resigned as Managing Director of the Company w.e.f. 09.05.2014.
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	: ₹ 42,06,968/-
Perquisites	: ₹ 21,03,484/-
Provident fund	: ₹ 4,20,697/-

(the above does not include provision for gratuity and leave encashment).

3. The Company does not have any scheme for grant of stock options to its Directors or Employees.
4. For termination of Agreement, the Company or the Managing Director is required to give a notice of three months or three months' salary in lieu thereof.

2.6 Re-appointment of Directors

Shri J. K. Bhagat and Shri L. G. Toolsidass, Directors would retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The brief particulars to these Directors are as follows :

I.

i. Name of the Director	Shri J. K. Bhagat
ii. Date of birth	22.11.1943
iii. Date of appointment	31.01.2000
iv. Expertise in specific functional areas	An industrialist with rich business experience and vast knowledge.

Report on Corporate Governance

v. List of other Directorships held in Public Limited Companies	a) Ginni Filaments Limited b) The Naihati Jute Mills Co. Ltd c) Tyroon Tea Company Limited d) Ludlow Exports Limited e) Ginni Flour & Foods Limited f) CFM Infra Tex Limited
vi. Chairman/Member of Committees of the Board of other Public Limited Companies in which he is a Director (Audit Committee and Shareholders/ Investor Grievance Committee has been considered)	Member : a) Ginni Filaments Limited - Selection cum Remuneration Committee b) Ginni Filaments Limited - Investors/Shareholders Grievance Committee c) Ginni Filaments Limited - Audit Committee d) Tyroon Tea Company Limited - Audit Committee e) Tyroon Tea Company Limited - Investor/ Shareholders Grievance 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 in Public Limited Companies	Belvedere Gardens Limited.
vi. Chairman/Member of Committees of the Board of other Public Limited Companies in which he is a Director (Audit Committee and Shareholders/ Investor Grievance Committee has been considered)	NIL
vii. Shareholding in the Company	NIL

2.7 The Board has periodically reviewed compliance reports of all laws applicable to the Company, placed by the Company in the board meetings.

3. AUDIT COMMITTEE :

- (i) The Audit Committee consists wholly of Independent Directors with 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 Exchange. 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 Chairman) and Shri B. Choudhuri, Shri L.G. Toolsidass, Shri I. P. Poddar as members. The 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.

Report on Corporate Governance

- (iii) 4 (four) Audit Committee meetings were held during the year ended 31st March 2014, dates being 15.05.2013, 12.08.2013, 14.11.2013 and 21.01.2014. The attendance of each committee member is as under :

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

- (iv) Smt Puja Guin, 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 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 J.P. Sonthalia	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 was 5 and all were addressed and replied to the satisfaction of shareholders.

Outstanding complaints as on 31st March, 2014 was nil.

- (iii) Smt Puja Guin, Company Secretary is the Compliance Officer of the Company.

- (iv) Business transacted

- Ratification of share transfers.
- Transfer and transmission of shares.
- Issue of duplicate share certificates.
- Consolidation and sub-division of shares.
- Review of routine complaints and corrective action taken.

Report on Corporate Governance

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 exchange.
- (ii) The Company has one Executive Chairman and one Managing Director on the Board, both of whose remuneration were 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) 1 (one) meeting of the Remuneration Committee was held for discussing and recommending to the Board, the revision of the remuneration of the Executive Chairman of the Company. The said meeting was held on 15.05.2013. The attendance of each committee member is as under :

Name of Member	Status	No. of Meetings attended
Shri B. Choudhuri	Chairman	1
Shri L. G. Toolsidass	Member	1
Shri I. P. Poddar	Member	1

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 exchange. The code of conduct also has been posted on the web-site of the Company, www.ludlowjute.com.

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
32nd AGM	Thursday, 11th August, 2011 at 3:00 P.M.	Rotary Sadan 94/2, Chowringhee Road Kolkata - 700020
33rd AGM	Tuesday, 7th August, 2012 at 3.00 P.M	Rotary Sadan 94/2, Chowringhee Road Kolkata - 700020
34th AGM	Monday, 12th August, 2013 at 3.00 P.M	Rotary Sadan 94/2, Chowringhee Road Kolkata - 700020

Notes :

- (i) No special resolution was passed in the 32nd AGM. However, following Special Resolution(s) were passed by the members of the Company in the 33rd and 34th Annual General Meeting :

Annual General Meeting held on 7th August, 2012

- Appointment & remuneration of Shri J.P. Sonthalia as Managing Director of the Company.

Annual General Meeting held on 12th August, 2013

- Re-appointment and remuneration of Shri S.S. Kanoria as the Executive Chairman of the Company.

Report on Corporate Governance

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 have been furnished in Note No 2.38 of the Financial Statements.
- (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.
- (iv) The Company does not have any whistle blower policy as of now.
- (v) The Company adopted all mandatory requirements as recommended by Clause 49 of the Listing Agreement with Stock Exchanges. Adoption of non mandatory requirements of Clause 49 of the Listing agreement are being reviewed by the Board from time to time and adopted wherever necessary.
However till date, except for the constitution of the Remuneration Committee, none of the non-mandatory requirements of Clause 49 have been adopted or implemented.
- (vi) The Company has laid down Risk Management Policy within a well defined framework.
- (vii) No Special resolution was passed during the financial ended 31.03.2014 through postal ballot. At present, there is no proposal for passing of any special resolution through postal ballot.

9. SUBSIDIARY COMPANY

There are no material non listed subsidiary Company(s). The financial statement and investment made, if any, by subsidiary Company(s), 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 exchange immediately after they are approved by the Board. These are also published in the newspapers as required by the Listing Agreement. The Company has its website i.e. www.ludlowjute.com wherein the quarterly results are displayed.

The financial results are normally published in Business Standard and Kalantar.

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, Nandalal Basu Sarani
(formerly : Little Russell Street)
Kolkata - 700 071
Phone : (033) 2283-9081/9082/9083
Fax : (033) 2283-9078/ 4503
E-mail : info@ludlowjute.com / invetors.grievance@ludlowjute.com
Website : www.ludlowjute.com

11.2 Annual General Meeting

Date : 05th September, 2014
Day : Friday
Time : 3.00 p.m.
Venue : Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020

Report on Corporate Governance

11.3 Financial Calendar 2013 - 2014

First Quarter Results	: On or before 14th August, 2014
Second Quarter Results	: On or before 14th November, 2014
Third Quarter Results	: On or before 14th February, 2015
Audited Results for the year ended 31.03.2014	: On or before 30th May, 2015

11.4 Date of Book Closure : 22.08.2014 to 05.09.2014 (both days inclusive)

11.5 Dividend Payment Date : On or after 5th September (within the statutory period of 30 days), subject to Shareholders' approval.

11.6 Listing of Shares & Other Securities

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

Listing Fees

The Company has paid listing fees for the financial year 2014-2015 to the Bombay Stock Exchange Limited, where securities of the Company are listed.

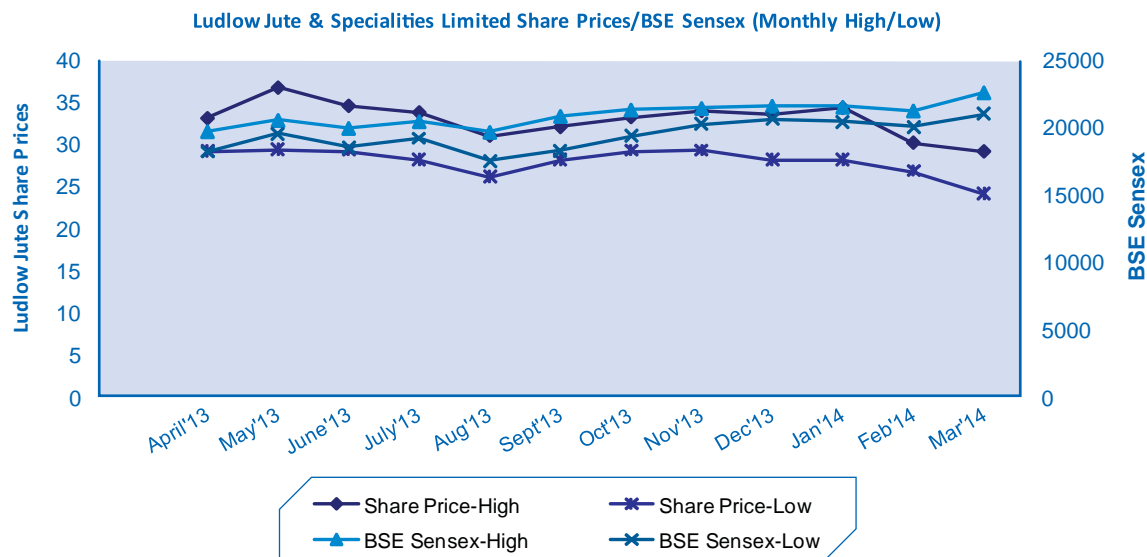
11.7 Market Price Data

The details of monthly high/low market price of the shares at Bombay Stock Exchange Limited during each month of 2013-2014 are given hereunder :

Month	Quotation of Bombay Stock Exchange (in Rs.)	
	HIGH	LOW
APR - 2013	32.95	29.00
MAY - 2013	36.65	29.25
JUNE - 2013	34.45	29.10
JULY - 2013	33.65	28.00
AUG - 2013	30.85	26.05
SEP - 2013	31.90	28.00
OCT - 2013	33.10	29.10
NOV - 2013	33.85	29.15
DEC - 2013	33.50	28.00
JAN- 2014	34.20	28.00
FEB- 2014	30.00	26.70
MAR-2014	28.95	24.00

Report on Corporate Governance

11.8 Stock Performance in comparison to broad based indices



11.9 Registrar and Share Transfer Agents

MCS Share Transfer Agent Limited
 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026
 Phone : (033) 40724051/52/53 • Fax : (033) 4072-4050
 E-mail : mcssta@rediffmail.com / mcskol@rediffmail.com

11.10 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 known 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.

11.11 Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2014 is given below :

Name of the Stock Exchange	No. of Equity Shares held	No. of Shareholders	Percentage of Shareholding (%)
1 - 500	1372501	9375	12.74
501 - 1000	358475	432	3.33
1001 - 2000	225266	145	2.09
2001 - 3000	153460	60	1.42
3001 - 4000	97463	27	0.90
4001 - 5000	83462	18	0.78
5001 -10000	243352	35	2.26
10001 -50000	583959	30	5.42
50001-100000	114613	2	1.06
And above	7540569	3	70.00
	10773120	10127	100.00

Report on Corporate Governance

11.12 Shareholding Pattern as on 31st March 2014

Category	No. of Shares	% of Shareholding
Promoters Holding		
a) Indian Promoters	7239208	67.1969
b) Foreign Promoters	–	–
Sub Total "A"	7239208	67.1969
Non-Promoters Holding		
a) Banks, Financial Institutions/ Insurance Companies	600	0.0055
b) Private Corporate Bodies	270289	2.5089
c) Resident Individuals	3239525	30.0704
d) NRI/ OCB	23488	0.2180
e) Trust & Foundations	10	.0001
Sub Total "B"	3533912	32.8031
Grand Total : "A+B"	10773120	100.00

11.13 Dematerialisation of Shares

90.17% i.e. 9714562 Equity Shares of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31.03.2014.

11.14 Plant Location, Chengail, Howrah - 711 308

Phone : (033) 2642-8366/8820/9821 • Fax : (033) 2642-8367

11.15 Address for Correspondence/ Corporate Office is same as the registered office address

11.16 Exclusive e-mail id for Investors' Grievances

Pursuant to clause 47(f) of the Listing Agreement with the Stock Exchanges, the following e-mail id has been designated for communicating investors' grievances :

investors.grievance@ludlowjute.com

12. CEO/CFO CERTIFICATION

A Certificate from the Managing Director and Chief Financial officer, pursuant to Clause 49(V) of the Listing Agreement had been tabled at the Board Meeting and is also annexed to this report.

13. NON-MANDATORY REQUIREMENTS

The Company has not adopted the non-mandatory requirements given under clause 49 of the Listing Agreement, except that it has a Remuneration Committee.

Report on Corporate Governance

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 financial year 2013-14.

Place : Kolkata
Date : 9th May, 2014

J. P. Sonthalia
Managing Director

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, 2014 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 Exchange.

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.

For Singhi & Co.
Chartered Accountants
Firm Registration No. 302049E

Place : Kolkata
Dated : 09.05.2014

M. L. SHUKLA
Partner
Membership No.051505

Report on Corporate Governance**CEO/CFO CERTIFICATION TO THE BOARD**

The Board of Directors
6, Nandalal Basu Sarani
(formerly, Little Russell Street)
Kolkata-700 071

9 May, 2014

Pursuant to the provisions of Clause 49(V) of the Listing Agreement, we, J.P. Sonthalia, Managing Director and R.K. Gupta, Chief Financial Officer hereby certify that:

- (a) we have reviewed financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal controls.
- (d) we have indicated to the auditors and the Audit Committee that:
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year; and
 - (iii) there have been no instances of significant fraud of which we have become aware.

For **Ludlow Jute & Specialities Limited**

J. P. Sonthalia
Managing Director

For **Ludlow Jute & Specialities Limited**

R.K. Gupta
CFO

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Cautionary Statement

Statement in the 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations.

Independent Auditors' Report

To the Members of
LUDLOW JUTE & SPECIALITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **LUDLOW JUTE & SPECIALITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the Auditors' judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Companies Act, 1956, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) 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;

Independent Auditors' Report

- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place: Kolkata
Dated: 9th day of May, 2014

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

Independent Auditors' Report

The Annexure referred to in paragraph 1 of our report of even date to the members of LUDLOW JUTE & SPECIALITIES LIMITED on the accounts of the Company for the year ended 31st March, 2014 :

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that :

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.
- (e) The Company has not taken loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III) (f) to (g) of the Order are not applicable.
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, during the year, the company has not entered into any transaction that need to be entered into a register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly clause 4 (v) (b) of the Order is not applicable to the company.
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.

However, wealth tax amounting to Rs. 0.81 lakh which was outstanding for more than six months as on 31.03.2014 has since been deposited.

Independent Auditors' Report

(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 below :-

(₹ in 000)

Sl. No.	Nature of Dues	Gross Amt Outstanding	Paid under protest	Period to which the amount relates	Forum where dispute is pending
1	a) Excise Duty	43	-	1964 to 1969	Pending at Calcutta High Court
	b) Excise Duty	17,80	3,00	1986-87 to 1991-92	Appellate Authority
2	a) Sales Tax	44,98	11,20	1999 -00 and 2004-05	WBCT(A & R) Board
	b) Sales Tax	13,59,60	-	2005-2006 to 2010-11	SR/Add. Joint Commissioner, CD And WBCT (A & R) Board
	Total	14,22,81	14,20		

10. The Company does not have any accumulated loss as at 31st March 2014. 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 therein. The investments made by the company are held in its own name except to the extent of the exemption granted 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 term loan taken during the year has been applied for the purpose for which it was taken.
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.

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

Place: Kolkata
Dated: 9th day of May, 2014

Balance Sheet as at 31st March, 2014

(₹ in 000)

	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	107,977	107,977
Reserves and Surplus	2.2	318,381	318,656
		426,358	426,633
Non-Current Liabilities			
Long-Term Borrowings	2.3	50,031	27,961
Deferred Tax Liabilities (Net)	2.4	34,211	27,145
Other Long-Term Liabilities	2.5	1,632	1,632
Long-Term Provisions	2.6	11,639	11,288
		97,513	68,026
Current Liabilities			
Short-Term Borrowings	2.7	30,732	42,936
Trade Payables	2.8	202,206	138,662
Other Current Liabilities	2.9	168,445	165,772
Short-Term Provisions	2.6	56,378	81,229
		457,761	428,599
		981,632	923,258
Total			
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.10	376,954	360,920
Intangible Assets	2.10	(1)	(1)
Capital Work-In-Progress		3,775	7,168
		380,729	368,088
Non-Current Investments	2.11	11,560	11,560
Long-Term Loans and Advances	2.12	7,607	5,589
Other Non-Current Assets	2.13	14,320	14,320
		414,216	399,557
Current Assets			
Current Investments			
Current Investments	2.11	-	-
Inventories	2.14	391,765	370,849
Trade Receivables	2.15	143,526	115,853
Cash and Bank Balances	2.16	10,731	8,864
Short-Term Loans and Advances	2.12	13,278	24,465
Other Current Assets	2.13	8,116	3,670
		567,416	523,701
		981,632	923,258
Total			
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

Place : Kolkata

Dated : 9th day of May, 2014

S. S. Kanoria
Executive Chairman

J. P. Sonthalia
Managing Director

Puja Guin
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in 000)

	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from Operations (Gross)	2.17	2,783,267	2,776,817
Less: Jute Manufacturing Cess		27,620	27,544
Revenue from Operations (Net)		2,755,647	2,749,273
Other Income	2.18	7,030	5,679
Total Revenue		2,762,677	2,754,952
EXPENSES			
Cost of Materials Consumed	2.19	1,544,049	1,477,819
(Increase) / Decrease in Inventories of Finished Goods and Work-in-Progress	2.20	(79,174)	(45,930)
Employee Benefits Expense	2.21	764,116	703,166
Finance Costs	2.22	18,992	14,498
Other Expenses	2.23	426,724	434,795
		2,674,707	2,584,348
Profit before Tax, Depreciation and Amortisation		87,970	170,604
Depreciation and Amortisation Expense	2.24	46,341	40,489
Profit before Tax		41,629	130,115
Tax Expense:	2.25		
Current Tax		7,714	27,896
Deferred Tax		7,066	17,792
Profit for the year		26,849	84,427
Earnings Per Share [nominal value ₹ 10 /-]			
Weighted Average Number of Ordinary Shares outstanding during the year		10,773,120	10,773,120
Basic and Diluted earning per share (in ₹)		2.49	7.84
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

Place : Kolkata

Dated : 9th day of May, 2014

S. S. Kanoria
Executive Chairman**J. P. Sonthalia**
Managing Director**Puja Guin**
Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

(₹ in 000)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash Flow from Operating Activities		
Profit before Tax	41,629	130,115
Adjustments for :		
Depreciation & Amortisation	46,341	40,489
(Profit)/Loss on Sale of Fixed Assets (Net)	(5,893)	(1,415)
Interest received from Banks	(184)	(144)
Finance Costs	18,992	14,498
Excess Liabilities and unclaimed balances written back	(945)	(534)
Dividend received on Non Current Investmetns	(8)	(13)
Unrealised Loss / (Gain) on Foreign Exchange	61	114
	99,993	183,110
Operating Profit before Working Capital changes		
Adjustments for :		
(Increase)/Decrease in Trade & Other Receivables	(20,907)	(25,852)
(Increase)/Decrease in Inventories	(20,915)	(108,569)
Increase/(Decrease) in Trade Payables & Other Liabilities	66,030	37,543
Provision for Employee Benefits	(8,649)	(46,113)
Cash Generated from Operations	115,552	40,119
Direct Taxes Paid	(13,004)	(28,156)
Net Cash from Operating Activities	102,548	11,963
Cash Flow from Investing Activities:		
Purchase of Tangible & Intangible Assets including CWIP	(69,788)	(59,956)
Sale of Tangible Assets	8,480	1,717
(Purchase)/Sale of Investments (Net)	-	-
Interest received from Banks	184	144
Dividend received on Non Current Investmetns	8	13
Net Cash used in Investing Activities	(61,116)	(58,082)

Cash Flow Statement for the year ended 31st March, 2014

(₹ in 000)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash Flow from Financing Activities		
(Repayments)/Proceeds from Borrowings	9,866	59,498
Finance Costs	(19,112)	(14,498)
Dividend Paid	(25,742)	(20,646)
Corporate Dividend tax paid	(4,577)	(3,662)
Net Cash used in Financing Activities	(39,565)	20,692
Net Increase in Cash and Cash Equivalents	1,867	(25,427)
Cash and Cash Equivalents (Opening Balance)	8,864	34,291
Cash and Cash Equivalents (Closing Balance)	10,731	8,864
Cash and Bank Balances consist of the following :		
Balances With Banks :		
- In Current Account	150	3,343
- In EEFC Account	1,104	-
Cash in hand (Incl'd Stamps) (As certified by the Management)	1,419	2,069
	2,673	5,412
Other Bank Balances		
In Unpaid Dividend Account	4,642	3,452
Balances with Bank held as margin money / security	3,416	-
	8,058	3,452
	10,731	8,864
Significant Accounting Policy 1		

Notes:

- The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard-3 "Cash Flow Statement", as notified by the Companies (Accounting Standard) Rules, 2006.
- Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our Report annexed

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

Place : Kolkata

Dated : 9th day of May, 2014

S. S. Kanoria
Executive Chairman**J. P. Sonthalia**
Managing Director**Puja Guin**
Company Secretary

Notes to Financial Statements

(₹ in 000)

1. SIGNIFICANT ACCOUNTING POLICIES

A. 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.

The financial statements has been prepared and presented as per the requirement of revised Schedule VI as notified under Companies Act 1956 .

B. Use of Estimates

The preparation of financial statements require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known/materialized.

C. Tangible Assets & Capital work in Progress

Fixed Assets other than those which have been revalued, are stated at their original cost which includes expenditure incurred in the acquisition and construction/installation and other related expenses. In respect of qualifying assets, related pre-operational expenses including borrowing cost are also capitalised and included in the cost. Revalued assets are stated at the values determined on revaluation.

Capital Work in Progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

D. Intangible Assets

Intangible assets are recognized only when future economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. Intangible assets are stated at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

E. 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.
- c) All the assets costing ₹ 5 or less are fully depreciated in the year of acquisition.

F. 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.

G. 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.

H. 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.

Notes to Financial Statements

(₹ in 000)

I. Foreign Currency Transactions

- i) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end 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.

J. Recognition of Income and Expenditure

- a) All Income and Expenditure are accounted for on accrual basis except as otherwise stated.
- b) Sales are inclusive of transport & delivery charges realised less excise duty, cess, rebates & claims, sales returns and discounts etc, if any.
- c) Export benefit entitlements to the Company under the EXIM/Foreign Trade Policy are recognised in the year of exports on accrual basis.

K. Borrowing Cost

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

L. 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.

M. 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.

N. Government Grants

Grants from Government are recognised on compliance of conditions and on reasonable assurance of the same being received. Grants received from Government Agencies against specific fixed assets are adjusted to the cost of the assets and Capital Grants for Project Capital Subsidy are credited to Capital Reserve. Revenue grants are recognized as other income or reduced from respective expenses.

O. Provisions, Contingent Liabilities 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.

Notes to Financial Statements

(₹ in 000)

		As at March 31, 2014	As at March 31, 2013
Note	2.1 SHARE CAPITAL		
Authorised			
	1,49,90,000 (PY - 1,49,90,000) Equity Shares of ₹ 10/- each	149,900	149,900
	1,000 (PY - 1,000) Redeemable Preference Shares of ₹ 100/- each	100	100
		150,000	150,000
Issued			
	1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹10/- each	107,731	107,731
Subscribed and Paid-up			
	1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹ 10/- each fully paid-up	107,731	107,731
	Add: Forfeited Equity Shares	246	246
	(Amount originally paid-up)		
		107,977	107,977

- a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- b) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c) R.V. Investment & Dealers Limited is the Holding Company of this Company.
- d) Details of shareholders holding more than 5% shares in the Company :

Equity Shares of ₹ 10 each fully paid	No. of Shares	
R V Investment & Dealers Ltd (%age of Holding, CY - 62.345, PY - 59.825)	6,716,507	6,445,038

- e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- f) No shares have been allotted or has been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) No securities which are convertible into Equity/Preference shares have been issued by the Company during the year.
- h) No calls are unpaid by any directors or officers of the company during the year.

Notes to Financial Statements

(₹ in 000)

		As at March 31, 2014	As at March 31, 2013
Notes	2.2 RESERVES AND SURPLUS		
Capital Reserves			
As per the last Financial Statements		1,054	1,054
Security Premium			
As per the last Financial Statements		58,595	58,595
Revaluation Reserve			
As per the last Financial Statements		15,190	23,409
Less : Transfer to the Statement of Profit & Loss being difference of depreciation on revalued cost of assets and on the original cost		8,219	8,219
		6,971	15,190
General Reserve			
As per the last Financial Statements		28,322	19,879
Add : Transferred from Surplus		1,341	8,443
		29,663	28,322
Surplus			
As per the last Financial Statements		215,495	171,021
Add : Profit for the year		26,849	84,427
		242,344	255,448
Less : Appropriations			
Proposed Dividend		16,159	26,933
Corporate Dividend Tax on Proposed Dividend		2,746	4,577
General Reserve		1,341	8,443
		20,246	39,953
		222,098	215,495
Net Surplus		318,381	318,656

	Non-current portion		Current Maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Notes	2.3 LONG-TERM BORROWINGS			
Term Loans (Secured)				
Rupee Loan from Bank				
	50,031	27,961	9,930	9,300
	50,031	27,961	9,930	9,300
Amount disclosed under the head "Other Current Liability" (Note 2.9)				
	–	–	9,930	9,300
	50,031	27,961	–	–

- a) Rupee Term Loan from Bank is repayable in 10 semi-annual installment for ₹.14600/- between March, 2012 to March, 2016, for ₹ 14821/- between January 2013 to March 2018 and for ₹ 15000/- between September 2013 to March 2018. The primary security against such asset is hypothecation of machineries purchased under the Term Loan. For the Term Loan of ₹ 28779/- received during the year, terms of repayments have not been finalised till date.

Notes to Financial Statements

(₹ in 000)

		As at March 31, 2014		As at March 31, 2013	
Notes	2.4	DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities					
Arising on account of :					
Depreciation					
			49,755		45,461
Less: Deferred Tax Assets					
Arising on account of :					
Section 43B of Income-tax Act					
		15,514		18,285	
Others					
		30	15,544	31	18,316
Deferred Tax Liabilities (Net)			34,211		27,145

		As at March 31, 2014		As at March 31, 2013	
Notes	2.5	OTHER LONG TERM LIABILITIES			
Other Liabilities					
Trade and Security Deposits					
			1,583		1,583
Statutory Liability					
			49		49
			1,632		1,632

		Long Term		Short Term	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Notes	2.6	PROVISIONS			
Provision for Employee Benefits					
		11,639	11,288	35,115	44,115
Other Provisions					
Provisions for Taxation (Net of Payments)					
		-	-	2,357	5,604
Proposed Dividend					
		-	-	16,160	26,933
Corporate Dividend Tax					
		-	-	2,746	4,577
				21,263	37,114
		11,639	11,288	56,378	81,229

		As at March 31, 2014		As at March 31, 2013	
Notes	2.7	SHORT TERM BORROWINGS			
Working Capital Borrowings					
From Banks					
Rupee Loan from Bank (Secured)					
			23,636		42,936
Export Packing Credit (Secured)					
			7,096		-
			30,732		42,936

- a) Working Capital Borrowings in Rupee is secured against hypothecation of entire stocks together with bank's pari passu 1st charge on entire assets both present and future of the company.
- b) Export Packing Credit is secured against hypothecation of Stock of materials, semi-finished and finished goods.

Notes to Financial Statements

(₹ in 000)

			As at March 31, 2014	As at March 31, 2013
Notes	2.8	TRADE PAYABLES		
For Goods and Services			202,206	138,662
			202,206	138,662

			As at March 31, 2014	As at March 31, 2013
Notes	2.9	OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (See Note 2.3)			9,930	9,300
Dues to Employees			132,464	132,243
Unpaid and unclaimed dividends			4,642	3,451
Statutory Dues			19,267	19,235
Interest Accrued & Due			-	120
Advances Received from Customers			1,663	1,302
Others			479	121
			168,445	165,772

Notes	2.10	FIXED ASSETS											
		GROSS BLOCK				DEPRECIATION					NET BLOCK		
		Cost/Value as at 31st March, 2013	Additions during the Year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2014	Upto 31st March, 2013	Provided during the year	Deductions/ Adjustments during the year	Depreciation for Addition on Revaluation during the year	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March 2013	
TANGIBLE ASSETS													
		Freehold Land	15,415	-	15,415	-	-	-	-	-	15,415	15,415	
		Buildings	164,063	433	164,496	125,057	1,160	-	4,778	130,995	33,501	39,006	
		Plant & Machinery	740,709	67,515	8,629	799,595	459,460	40,619	8,197	3,441	495,323	304,272	281,249
		Furniture & Fittings	4,265	519	-	4,784	3,412	227	-	3,639	1,145	853	
		Vehicles	45,162	3,905	5,510	43,557	24,400	3,392	3,356	-	24,436	19,121	20,762
		Office Equipment	12,910	808	-	13,718	9,275	943	-	10,218	3,500	3,635	
		Total	982,524	73,180	14,139	1,041,565	621,604	46,341	11,553	8,219	664,611	376,954	360,920
INTANGIBLE ASSETS													
		Goodwill	(1)	-	-	(1)	-	-	-	-	(1)	(1)	
		Total	(1)	-	-	(1)	-	-	-	-	(1)	(1)	
		Grand Total :	982,524	73,180	14,139	1,041,565	621,604	46,341	11,553	8,219	664,611	376,954	360,920
		Previous Year :	921,191	63,280	1,947	982,524	574,543	40,488	1,646	8,219	621,604	360,920	

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 ₹ 300,476 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 ₹ 6,971 as on 31.03.2014. (PY ₹ 15,190)

Notes to Financial Statements

(₹ in 000)

Notes		2.11 INVESTMENTS			
NON CURRENT INVESTMENTS					
Face Value per Share/Debenture ₹	Particulars	As at March 31, 2014		As at March 31, 2013	
		No. of Shares / Debentures	Value	No. of Shares / Debentures	Value
A	Trade Investment (Valued at Cost)				
	"Equity Shares in Subsidiary Company (Un-Quoted)"				
	10 Ludlow Exports Ltd.	250000	2,500	250000	2,500
	10 Sijberia Industries Ltd.	562859	8,887	562859	8,887
	Sub - Total		11,387		11,387
B	Non - Trade Investments				
	Investment in Equity Instruments :				
	Quoted - (Valued at cost less provision for other than temporary/diminution in the value of investment)				
	10 Alliance Udyog Ltd.#	50	(512)	50	(512)
	100 Anglo India Jute Mills Co. Ltd. *#	24	(462)	24	(462)
	10 Birla Corporation Ltd.	660	148	660	148
	10 Budge-Budge Co. Ltd.*		-	305	1
	10 Cheviot Company Ltd.	274	7	274	7
	10 Delta International Ltd.*#	1035	20	1035	20
	10 Howrah Mills Co. Ltd.*	50	(475)	50	(475)
	10 The Jagatdal Ind. Ltd.#	50	(358)	50	(358)
	100 Kanknarrah Co. Ltd. *#	19	1	19	1
	10 Trend Vyapaar Limited (Formerly Kelvin Jute Co. Ltd.) #	1	(240)	1	(240)
	10 Nellimarla Jute Mills Co. Ltd.#	70	(368)	70	(368)
	10 New Central Jute Mills Co. Ltd.*#	12	(88)	12	(88)
	10 Presidency Exports & Industries Ltd.#	10	(105)	10	(105)
	1 Bajaj Hindusthan Sugar and Industries Ltd.	5430	2	5430	2
	10 Reliance Ispat Ltd.#	224	6	224	6
	10 Solarson Ind. Ltd.#	200	2	200	2
	10 The Agarpara Co. Ltd.*#	50	(175)	50	(175)
	10 The Auckland International Ltd.	990	(750)	990	(750)
	10 Abhishek Jute & Industries Limited	660	(500)	660	(500)
	5 The Baranagar Jute Factory Co.Ltd.*#	5	(116)	5	(116)
	10 Al Champdany Industries Ltd.	314	(344)	314	(344)
	10 Fort William Industries Limited #	50	2	50	2
	10 The Ganges Manufacturing Co.Ltd.*#	50	(375)	50	(375)
	10 Gillanders Arbuthnot & Co Ltd	135	13	135	13
	10 The Gouripore Co. Ltd.#	40	(150)	40	(150)
	10 The Hooghly Mills Co.Ltd.#	1176	(742)	1176	(742)
	10 The India Jute & Industries Ltd. *#	62	2	62	2
	10 The Nuddea Mills Co. Ltd.*#	25	(50)	25	(50)
	1 Waverly Investments Ltd. #	7	(30)	7	(30)
	Balance Carried over		207		209

Notes to Financial Statements

(₹ in 000)

Notes	2.11	INVESTMENTS			
NON CURRENT INVESTMENTS					
Face Value per Share/Debenture	Particulars	As at March 31, 2014		As at March 31, 2013	
₹		No. of Shares / Debentures	Value	No. of Shares / Debentures	Value
	Balance Brought forward		207		209
10	Willard India Ltd.#	1200	44	1200	44
10	Reliance Jute Mills (Int.) Ltd. @#	112		112	
	Total of Quoted Equity Instruments		251		253
	Less: Provision for other than temporary diminution in the value of investments		83		85
	Net Total (Quoted investment)		168		168
	Investment in Equity Instruments :				
	Unquoted - (Valued at cost less provision for other than temporary diminution in the value of investment)				
100	Birds Jute & Exports Ltd.	10	1	10	1
10	National Co.Ltd. *	50	(669)	50	(669)
10	Santosh Garden Co Operative	200	2	200	2
100	The Alexandera Jute Mills Ltd. *	5	(259)	5	(259)
10	The Empire Jute Co. Ltd.	26	(134)	26	(134)
10	Caledonian jute & Industries	50	(505)	50	(505)
10	The Khardah Co. Ltd. *	62	(476)	62	(476)
100	The Kinnison Jute Mills Co.Ltd. *	2	2	2	2
100	The Lawrence Investment & Property Co.Ltd.	10	(980)	10	(980)
10	The North Brooke Co. Ltd.	50	(894)	50	(894)
100	Union Jute Co. Ltd. *	10	(718)	10	(718)
10	RJM Fibres Industries Ltd.	56	(574)	56	(574)
10	RJM Investment Ltd.	56	(546)	56	(546)
	Total of Unquoted Equity Instruments		11		11
	Less : Provision for other than temporary diminution in the value of Investment		11		11
	"Net Total (Un-Quoted Investment)"		-		-
	Investment on Government Securities				
	Unquoted -				
	7 years National Saving Certificates (Deposited with Central Excise and Sales Tax Authorities), (Matured)		5		5
	Total Government Securities		5		5
	Total Non - Current Investment		11,560		11,560

Notes to Financial Statements

(₹ in 000)

Notes	2.11	INVESTMENTS				
			As at March 31, 2014		As at March 31, 2013	
			Book Value (₹)	Market Value (₹)	Book Value (₹)	Market Value (₹)
Aggregate Amount of :						
		Quoted Investments	251	467	253	360
		Unquoted Investments	11,403	-	11,403	-
		Provision for other than temporary diminution in the value of investment	94		96	
			11,560	467	11,560	360

* 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 unquoted rates, market value of such shares have been considered at ₹ (1)/-.

Notes	2.12	LOANS & ADVANCES	Long Term		Short Term	
			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
			Security Deposits			
		Unsecured, considered good	1,704	1,700	-	-
			1,704	1,700	-	-
Other Loans and Advances (Unsecured, Considered good)						
		Advance Tax and TDS (Net of provisions)	2,610	567	-	-
		Advance against supply of Goods and Services	-	-	2,508	14,039
		Prepaid Expenses	-	471	8,752	7,738
		Advance to Employees	-	-	1,532	1,226
		Balances with Government & Statutory Authorities	3,293	2,851	486	1,462
			5,903	3,889	13,278	24,465
			7,607	5,589	13,278	24,465

Notes	2.13	OTHER ASSETS	Non-Current		Current	
			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
			Insurance Claim Receivable *		14,320	14,320
		DEPB/FOCUS Licence Receivable	-	-	4,395	-
		Duty Draw Back Receivable	-	-	3,180	3,592
		Receivable from Jute Corp. of India (claim)			145	1
		Receivable from Employees	-	-	396	77
			14,320	14,320	8,116	3,670

* The above Insurance Claim is outstanding for the last three years. On 06-12-2013 the company has filed a legal suit at National Consumer Dispute Redressal Commission (NCRDC), New Delhi. The Management is hopeful of getting a favourable verdict in this regard. Hence creating provision against it has not been considered necessary by the management.

Notes to Financial Statements

(₹ in 000)

		As at March 31, 2014	As at March 31, 2013
Notes	2.14 INVENTORIES		
(As valued and certified by the Management)			
Raw Materials		131,696	192,835
Work in Progress		28,100	23,828
Finished Goods (including in transit CY - ₹ 8,845 , PY- ₹ 9,883)		206,217	131,314
Stores and Spares etc.		25,752	22,872
		391,765	370,849

		Finished Goods		Work-in-Progress	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
DETAILS OF INVENTORIES					
Jute		206,217	131,314	28,100	23,828
		206,217	131,314	28,100	23,828

		Non-Current		Current	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Notes	2.15 TRADE RECEIVABLES				
Outstanding for a period exceeding six months					
Unsecured, considered good		-	-	20,185	10,714
Doubtful		-	-	-	-
		-	-	20,185	10,714
Provision for doubtful receivables		-	-	-	-
		-	-	20,185	10,714
Other Receivables					
Unsecured, considered good		-	-	123,341	105,139
		-	-	143,526	115,853

		As at March 31, 2014	As at March 31, 2013
Notes	2.16 CASH AND BANK BALANCES		
Cash and Cash Equivalents			
Balances With Banks :			
In Current Account		150	3,343
In EEFC Account		1,104	-
Cash In hand (Incl'd Stamps) (As certified by the Management)		1,419	2,069
		2,673	5,412
Other Bank Balances			
In Unpaid Dividend Account		4,642	3,452
Balances with Bank held as margin money / security		3,416	-
		8,058	3,452
		10,731	8,864

Notes to Financial Statements

(₹ in 000)

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes 2.17 REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (including Export Sales of CY ₹ 431,323, PY ₹ 664,781)	2,757,425	2,754,212
	2,757,425	2,754,212
Other Operating Revenues		
Export Benefits	13,916	17,080
Miscellaneous Sale	6,274	5,509
Insurance and Other Claims (Net)	5,652	16
	25,842	22,605
	2,783,267	2,776,817
Details of Sale of Products		
Jute Goods	2,757,425	2,754,212
	2,757,425	2,754,212

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes 2.18 OTHER INCOME		
Interest Income		
On Banks Deposits	133	105
Others	51	39
Dividend Income		
On Long term investments	8	13
On Current investments	-	-
Other Non Operating Income		
Profit on sale of Fixed Assets	5,893	1,415
Excess Liabilities and Unclaimed Balances written back	945	534
Net gain / (loss) on Foreign Currency transactions	-	3,573
	7,030	5,679

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes 2.19 COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Opening Inventories	192,835	131,820
Add : Purchase	1,482,910	1,538,834
	1,675,745	1,670,654
Less: Closing Inventories	131,696	192,835
	1,544,049	1,477,819
Details of Raw Material Consumed		
Jute	1,544,049	1,477,819
	1,544,049	1,477,819

Notes to Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.20	(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS		
Inventories at the beginning of the year				
		Finished Goods	131,314	85,347
		Work-in-Progress	23,828	23,865
			155,142	109,212
Inventories at the end of the year				
		Finished Goods	206,216	131,314
		Work-in-Progress	28,100	23,828
			234,316	155,142
			(79,174)	(45,930)

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.21	EMPLOYEE BENEFITS EXPENSE		
		Salaries & Wages	568,772	512,315
		Contribution to Provident Funds & Others	70,981	66,776
		Contribution to Gratuity Fund	40,204	46,418
		Staff Welfare Expenses	7,405	7,477
		Labour Charges (Manufacturing & Processing Exp)	76,754	70,180
			764,116	703,166

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.22	FINANCE COSTS		
Interest Expenses				
		To Banks on Term Loans	6,348	1,812
		" Banks On Working Capital Loans	5,089	282
		" Bill Discounting Charges/Retirement of Bills	5,067	9,785
		" Others	718	692
			17,222	12,571
Other Borrowing Cost				
		Other Financial Charges	1,770	1,927
			18,992	14,498

Notes to Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.23	OTHER EXPENSES		
Manufacturing Expenses				
Stores, Spare Parts & Packing Materials Consumed			125,038	126,917
Power & Fuel			149,540	153,130
Repairs to Buildings			11,482	11,937
Repairs to Machinery			19,426	19,404
Repairs to Other Assets			7,953	10,674
Increase/(Decrease) in Cess on Stocks			611	495
			314,050	322,557
Selling and Administration Expenses				
Brokerage & Commission on Sales			8,610	7,714
Transport & Forwarding Expenses			36,683	64,347
Rent			1,102	1,073
Insurance			8,552	9,796
Rates & Taxes			774	1,316
Legal & Professional Expenses			29,978	2,812
Travelling Expenses			487	545
Provision for Other than temporary Diminution of Long Term Investment			-	-
Miscellaneous Expenses			18,358	19,781
Auditors' Remuneration -				
Statutory Auditors -				
Audit Fees			393	393
Limited Review			112	112
Issue of Certificates			57	164
Cost Auditors -				
Audit Fees			25	25
Net (Gain)/Loss on Foreign currency transaction and translation			7,128	-
Directors' Commission			-	3,765
Directors' Fees			415	395
			112,674	112,238
			426,724	434,795

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.24	DEPRECIATION AND AMORTISATION EXPENSE		
On Tangible Assets			54,560	48,708
Less: Transferred from Reserve on Revaluation			8,219	8,219
			46,341	40,489

Notes to Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.25	TAX EXPENSE		
		Current Tax for the year	12,500	27,800
		Add : Income Tax related to earlier years	(4,786)	96
		Current Tax	7,714	27,896
		Deferred Tax for the year	1,170	14,527
		Add: Deferred Tax related to earlier year	5,896	3,265
		Deferred Tax	7,066	17,792
			14,780	45,688

			As at March 31, 2014	As at March 31, 2013
Notes	2.26	CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :		
		a) Bills Discounted with Banks	53,892	46,168
		a) Other Disputed Claims (ESI)(Gross) (Adv. paid ₹ 1,873, PY ₹ 1,873)		
		c) Excise Duty Demand disputed	5,691	5,691
		(i) Excise Authority raised the demand on transit loss of Jute Batching Oil 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 Appeallate Authority for the year 1986-87 to 1991-92. (Advance paid ₹ 300 PY ₹ 300)	1,780	1,780
		d) i) Disputed demand against Sales Tax for the year 1999-00 and 2004 -05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv. paid ₹ 1,120, PY. ₹.1,120)(Gross)	4,498	4,708
		ii) Disputed demand against Sales Tax for the year 2005-06 to 2010- 2011 for which Appeal is pending before SR. and AD. Joint commissioner (CD) and WBCT (A&R) Board.	1,35,960	1,03,282
		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 since 2002-03.	11,546	10,392
		f) a) Outstanding Bank Guarantees	37,021	36,889
		b) Outstanding Letter of Credit	59,064	75,481

Notes	2.27			
		Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to ₹ nil Previous Year ₹ 1,888)	142	20,033

Notes to Financial Statements

(₹ in 000)

Notes 2.28

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

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

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
i) Employees Provident Fund	1,737	1,574
ii) Employees Pension Scheme	31,777	30,471

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

i) Benefits are of the following types :

- Every employee who has completed continuous 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, 2014 are as follows :

	Gratuity	
	2013-14	2012-13
Present Value of funded obligations	3,02,034	2,56,701
Fair value of Plan Assets	2,71,013	2,15,885
Liabilities in respect of funded obligation based on actuarial valuation basis	31,021	40,816

The amounts recognized in the statement of Profit and Loss for the year ended 31st March, 2014 are as follow :

	2013-14	2012-13
Current service cost	24,694	21,942
Interest cost on obligation	25,143	18,971
Expected Return on plan assets(-)	20,965	13,236
Expected Return on any reimbursement right recognized as an asset	-	-
Net actuarial losses/(gains) recognized during the year	11,332	18,741
Past service cost	-	-
Losses/(gains) on curtailments and settlements	-	-
Total included in 'Employee Benefit Expenses'	40,204	46,418

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

	2013-14	2012-13
Present value of defined benefit obligation at the beginning of the year	2,56,701	2,17,581
Employer Service Cost (+)	24,694	21,942
Interest Cost (+)	25,143	18,971
Curtailement Cost (+)	-	-
Settlement Cost (+)	-	-
Plan Amendments	-	-
Acquisitions	-	-
Actuarial Gains (-)/ Loss (+)	(+)11,382	(+)18,674
Benefit Paid (-)	1,58,86	20,467
Present value of Defined Benefit obligations at the end of the year	3,02,034	2,56,701

Notes to Financial Statements

(₹ in 000)

iv) Changes in the fair value of plan assets representing Reconciliation of opening and closing balances thereof are as follows :

Change in Assets	2013-14	2012-13
Fair value of Plan Assets at the beginning of the year	2,15,885	1,28,182
Acquisition adjustments		
Expected return on Plan Assets (+)	20,965	13,236
Actual Company Contribution (+)	50,000	95,000
Benefit Payments (-)	(15,886)	(20,467)
Appreciation / Depreciation of Plan Assets Actuarial Gain(+)/ Loss(-)	(+)49	(-)66
Fair Value of Plan Assets at the end of the period	2,71,013	2,15,885

v) The major categories of plan assets as a percentage of total plan assets are as follows :

	2013-14	2012-13
Qualifying insurance policy	100%	100%

vi) Principal actuarial assumptions at the balance sheet date are as follows :

	2013-14	2012-13
1 Mortality	LIC (2006-2008),ultimate table	LIC (1994-96), ultimate table
2 Morbidity	No Explicit Allowance	No Explicit Allowance
3 Withdrawal	2% to 1%, depending on the age and length of service	2% to 1%, depending on the age and length of service
4 Discount Rate	9% p.a. being consistent with the yield on Long Term Govt. Bond	8% p.a. being consistent with the yield on Long Term Govt. Bond
5 Salary Increase	7 % p.a.	5% p.a.
6 Normal Age of Retirement	58 Years	58 Years

vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

viii) In respect of provident funds for eligible employees maintained by a trust, in the nature of defined benefits plan, upto date shortfall, if any, as per actuarial valuation, in respect of contribution towards such fund is yet to be identified. However, contribution to those provident fund amounting to ₹ 8,844 (previous year ₹ 8,803) is recognized as expense and included in "Employees Benefit Expenses".

2.29 Raw materials, Stores & Spares Parts consumed include profit and/or loss on sale and excess/short found on physical verification.

2.30 The amount of borrowing cost capitalized during the year is ₹ Nil (previous year Nil).

2.31 a) Outstanding forward exchange contracts booked for the purpose of hedging Receivables/firm commitment are USD 115, EURO 41 & Sterling Pound Nil(Previous year USD 383,EURO 58 and Sterling Pound 23)

b) Unhedged foreign currency receivables USD 127, EURO 22 and Sterling Pound 21 (Previous Year USD 77, EURO Nil and Sterling Pound Nil) and payables are USD 249 (Previous Year USD 282).

c) The marked to market loss amounting to ₹ NIL(Previous Year – ₹ 4) has been accounted for. However, marked to market gain amounting to ₹ 329(Previous Year – ₹ 608) on Forward Exchange Contracts for firm commitments and highly probable forecast transaction has not been accounted for.

Notes to Financial Statements

(₹ in 000)

2.32 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 ₹ Nil. (Previous Year ₹ Nil).

2.33 As Company's business activities fall 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 :

	2013-14	2012-13
Within India	23,26,102	20,89,431
Outside India	4,31,323	6,64,781
Total	27,57,425	27,54,212

2.34 Consumption of Raw Materials, Spares and Components :

	Raw Materials				Spares & Components			
	For the year ended 31st March, 2014		For the year ended 31st March, 2013		For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	Total (₹)	(In %)	Total (₹)	(In %)	Total (₹)	(In %)	Total (₹)	(In %)
Imported	2,14,037	13.86	4,09,984	27.74	3,118	5.27	2,368	3.79
Indigenous	13,30,012	86.14	10,67,835	72.26	56,006	94.73	60,087	96.21
	15,44,049	100.00	14,77,819	100.00	59,124	100.00	62,455	100.00

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Note	2.35	EXPENDITURE IN FOREIGN CURRENCIES (PAID / PROVIDED)		
		Travelling	54	170
		Commission	371	1,445

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Note	2.36	C.I.F. VALUE OF IMPORTS		
		Raw Materials	1,63,575	3,95,092
		Component & Spare Parts	3,118	2,367
		Capital Goods	31,789	29,917

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Note	2.37	EARNINGS IN FOREIGN CURRENCY		
		F.O.B. Value of Exports	4,13,009	6,30,032

Notes to Financial Statements

(₹ in 000)

Note 2.38 RELATED PARTY DISCLOSURES

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

A. Relationships

1) Subsidiary

- a) Ludlow Exports Ltd.
- b) Sijberia Industries Ltd.

2) Key Managerial Personnel (KMP)

- a) Sri S. S. Kanoria (Executive Chairman)
- b) Sri J. P. Sonthalia (Managing Director)
- c) Sri B. M. Thakkar (Resident Director)

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

	2013-14		20-1213	
	Subsidiary	KMP	Subsidiary	KMP
a) Investment	-	-	-	-
b) Remuneration, Perquisites & Others	-	13,249	-	13,563
c) Director's Commission Balance outstanding at the year end	-	-	-	3,765
d) Creditors	-	-	-	-
e) Purchase of Services	-	-	-	-
f) Purchase of Shares	-	-	-	-
g) Purchase of Fixed Assets	-	-	3,898	-

Note 2.39 Figures of less than ₹ 1 have been shown at actual in brackets in Notes to Account No 2.10 and 2.11. Other than these all other figures in bracket are in negatives.

Note 2.40 Figures of the Previous Year have been regrouped / rearranged wherever considered necessary.

As per our Report annexed

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

Place : Kolkata

Dated : 9th day of May, 2014

S. S. Kanoria
Executive Chairman

J. P. Sonthalia
Managing Director

Puja Guin
Company Secretary

Statement Regarding Subsidiaries Companies Pursuant to Section 212 of the Companies Act, 1956.

Section 212 (1) (e)

(₹ in 000)

Name of Subsidiary Companies	Financial Year ended	Holding Company's Interest
Ludlow Exports Limited	31.03.2014	100.00%
Sijberia Industries Limited	31.03.2014	53.9%
	For the Financial Year ended 31.03.2014 (₹)	For the Financial Year ended 31.03.2013 (₹)
Section 212 (3) (b)		
i) Net aggregate amount of Subsidiary's Profit(+) / Loss (-) which concerns the Members of the Holding Company and not Dealt with in the Company's Accounts :		
Ludlow Exports Limited	219	2
Sijberia Industries Limited	332	945
ii) Net aggregate amount of Subsidiaries profit dealt with in the Company's Accounts.		
Ludlow Export Limited	Nil	Nil
Sijberia Industries Limited	Nil	Nil

Section 212 (5)

The Financial years of the Subsidiaries Companies coincide with the Financial year of the Holding Company and as such Section 212 (5) of the Act is not applicable in this case.

Place : Kolkata
Dated : 9th day of May, 2014

S. S. Kanoria
Executive Chairman

J. P. Sonthalia
Managing Director

Puja Guin
Company Secretary

Independent Auditors' Report

To the Board of Directors

LUDLOW JUTE & SPECIALITIES LIMITED

Report on Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **LUDLOW JUTE & SPECIALITIES LIMITED** ("the Company") its subsidiaries (collectively referred as Group) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements of the subsidiaries, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group, for the year ended on that date.

Other Matter

6. We did not audit the financial statements of all the subsidiaries of the Company, whose financial statements reflect total assets of ₹ 251.07 lacs as at 31 March, 2014, total revenue of ₹ 16.21 lacs and net cash inflow amounting to ₹ 4.65 lacs for the year ended on that date. 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 amount included in respect of subsidiaries are based solely on the report of other auditors.
7. Our opinion is not qualified in respect of other matter.

Place: Kolkata

Dated: 9th day of May, 2014

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

Consolidated Balance Sheet as at 31st March, 2014

(₹ in '000)

	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	107,977	107,977
Reserves and Surplus	2.2	320,994	320,913
		428,971	428,890
Minority Interest	2.3	8,949	8,796
Non-Current Liabilities			
Long-Term Borrowings	2.4	50,031	27,961
Deferred Tax Liabilities (Net)	2.5	34,236	27,145
Other Long-Term Liabilities	2.6	1,632	1,632
Long-Term Provisions	2.7	11,639	11,288
		97,538	68,026
Current Liabilities			
Short-Term Borrowings	2.8	30,732	42,936
Trade Payables	2.9	202,225	138,685
Other Current Liabilities	2.10	168,444	165,772
Short-Term Provisions	2.7	56,297	83,200
		457,698	430,593
Total		993,156	936,305
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.11	381,839	365,843
Intangible Assets	2.11	(1)	(1)
Capital Work-In-Progress		3,775	7,168
		385,614	373,011
Non-Current Investments		173	173
Long-Term Loans and Advances	2.12	7,607	5,588
Other Non-Current Assets	2.16	14,320	14,320
		407,714	393,092
Current Assets			
Current Investments		–	–
Inventories	2.13	391,764	370,849
Trade Receivables	2.14	143,526	115,853
Cash and Bank Balances	2.15	28,649	26,316
Short-Term Loans and Advances	2.12	13,326	26,495
Other Current Assets	2.16	8,177	3,700
		585,442	543,213
Total		993,156	936,305
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

Place : Kolkata

Dated : 9th day of May, 2014

S. S. Kanoria
Executive Chairman

J. P. Sonthalia
Managing Director

Puja Guin
Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in '000)

	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from Operations (Gross)	2.17	2,784,646	2,778,616
Less: Jute Manufacturing Cess		27,620	27,544
Revenue from Operations (Net)		2,757,026	2,751,072
Other Income	2.18	7,272	5,695
Total Revenue		2,764,298	2,756,767
EXPENSES			
Cost of Materials Consumed	2.19	1,544,049	1,477,819
(Increase) / Decrease in Inventories of Finished Goods and Work-in-Progress	2.20	(79,174)	(45,930)
Employee Benefits Expense	2.21	764,407	703,568
Finance Costs	2.22	18,992	14,498
Other Expenses	2.23	427,319	435,148
		2,675,593	2,585,103
Profit before Tax, Depreciation and Amortisation		88,705	171,664
Depreciation and Amortisation Expense	2.24	46,378	40,549
Profit before Tax		42,327	131,115
Tax Expense:	2.25		
Current Tax		7,876	28,349
Deferred Tax		7,092	17,390
Profit for the year		27,359	85,376
Minority Interest		153	436
Profit for the period		27,206	84,940
Earnings Per Share [nominal value ₹ 10 /- each]			
Weighted Average Number of Ordinary Shares outstanding during the year (in number)		10,773,120	10,773,120
Basic and Diluted earning per share (in ₹)		2.53	7.88
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

Place : Kolkata

Dated : 9th day of May, 2014

S. S. Kanoria
Executive Chairman**J. P. Sonthalia**
Managing Director**Puja Guin**
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2014

(₹ in '000)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash Flow from Operating Activities		
Profit before Tax	42,327	131,115
Adjustments for :		
Depreciation & Amortisation	46,378	40,549
(Profit)/Loss on Sale of Fixed Assets (Net)	(5,893)	(1,415)
Interest received from Banks	(426)	(160)
Finance Costs	18,992	14,498
Excess Liabilities and unclaimed balances written back	(945)	(534)
Dividend received on Non Current Investmetns	(8)	(13)
Unrealised Loss / (Gain) on Foreign Exchange	61	114
Provision for Employee Benefits	(8,671)	(46,108)
	91,815	138,046
Operating Profit before Working Capital changes		
Adjustments for :		
(Increase)/Decrease in Trade & Other Receivables	(20,972)	(25,926)
(Increase)/Decrease in Inventories	(20,915)	(108,569)
Increase/(Decrease) in Trade Payables & Other Liabilities	66,025	37,546
Cash Generated from Operations	115,953	41,097
Direct Taxes Paid	(13,182)	(28,384)
Net Cash from Operating Activities	102,771	12,713
Cash Flow from Investing Activities:		
Purchase of Tangible & Intangible Assets including CWIP	(69,787)	(61,418)
Sale of Tangible Assets	8,480	2,153
(Purchase)/Sale of Investments (Net)	-	-
Capital Subsidy	-	-
Interest received from Banks	426	160
Dividend received on Non Current Investmetns	8	13
Dividend received on Current Investmetns and Re-invest	-	-
Net Cash used in Investing Activities	(60,873)	(59,092)
Cash Flow from Financing Activities		
(Repayments)/Proceeds from Borrowings	9,866	61,944
Finance Costs	(19,112)	(14,498)
Dividend Paid	(25,742)	(20,646)
Corporate Dividend tax paid	(4,577)	(3,662)
Net Cash used in Financing Activities	(39,565)	23,138
Net Increase in Cash and Cash Equivalents	2,333	(23,241)
Cash and Cash Equivalents (Opening Balance)	26,316	49,557
Cash and Cash Equivalents (Closing Balance)	28,649	26,316

Consolidated Cash Flow Statement for the year ended 31st March, 2014

(₹ in '000)

	For the year ended March 31, 2014	For the year ended March 31, 2013
Cash and Bank Balances consist of the following :		
Balances With Banks :		
- In Current Account	435	3,826
- In EEFC Account	1,104	-
Cash in hand (Incl'd Stamps) (As certified by the Management)	1,427	2,078
	2,966	5,904
Other Bank Balances		
In Unpaid Dividend Account	4,642	3,452
In Fixed Deposit	17,625	16,960
Balances with Bank held as margin money / security	3,416	-
	25,683	20,412
	28,649	26,316
Significant Accounting Policies 1		

Notes :

- The Cash Flow Statement has been prepared under the "Indirect method" as set out in the Accounting Standard-3 "Cash Flow Statement", as notified by the Companies (Accounting Standard) Rules, 2006.
- Figures have been regrouped/ rearranged wherever necessary.

As per our Report annexed

For and on behalf of the Board

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

Place : Kolkata

Dated : 9th day of May, 2014

S. S. Kanoria
Executive Chairman**J. P. Sonthalia**
Managing Director**Puja Guin**
Company Secretary

Consolidated Notes to Financial Statements

(₹ in '000)

Notes 1 SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION

The Consolidation of Financial statements (CFS) relate to Ludlow Jute & Specialities Limited and its Subsidiaries. The CFS have been prepared in accordance with the Generally Accepted Accounting Principles and Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and are prepared on the following basis:

- a) The financial statements of the Company and its Subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating inter-group balances and inter-group transactions including unrealized profits/ losses in period end assets, such as inventories, fixed assets etc. The difference between the Company's cost of investments in the Subsidiaries, over its portion of equity at the time of acquisition of shares is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Minority Interest's share in net profit/ loss of consolidated subsidiaries for the year is adjusted against the income of the Group in order to arrive at the net income attributable to equity shareholders of the Company. Minority Interest's share in net assets of consolidated subsidiaries is presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders. Minority Interest in the consolidated financial statements is identified and recognized after taking into consideration:
 - i) The amount of equity attributable to minorities at the date on which investments in a subsidiary is made.
 - ii) The minorities' share of movement in equity since the date parent-subsidiary relationship came into existence.
 - iii) The losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary.
 - iv) The excess of loss over the minority interest in the equity is adjusted against General Reserve of the Company.
- b) The CFS are prepared by using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any and to the extent possible, are made in the CFS and are presented in the same manner as the Company's separate financial statements except otherwise stated elsewhere in this schedule.

The subsidiary companies considered in the consolidated financial statements are :

Sl.No.	Name of the Company	Country of Incorporation	% of Holding
1.	Ludlow Exports Limited	India	100.00
2.	Sijberia Industries Limited	India	53.9

B. 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.

The financial statements has been prepared and presented as per the requirement of revised Schedule VI as notified under Companies Act 1956 .

C. Use of Estimates

The preparation of financial statements require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

Consolidated Notes to Financial Statements

(₹ in '000)

D. Tangible Assets & Capital work in Progress

Fixed Assets other than those which have been revalued, are stated at their original cost which includes expenditure incurred in the acquisition and construction/installation and other related expenses. In respect of qualifying assets, related pre-operational expenses including borrowing cost are also capitalised and included in the cost. Revalued assets are stated at the values determined on revaluation.

Capital Work in Progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production.

E. Intangible Assets

Intangible assets are recognized only when future economic benefit attributable to the assets will flow to the enterprise and cost can be measured reliably. Intangible assets are stated at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

F. 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.
- c) All the assets costing ₹ 5 or less are fully depreciated in the year of acquisition..

G. 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.

H. 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.

I. 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 NRV whichever is lower. |
| Work-in-progress | : | At Cost, based on weighted average method or NRV whichever is lower |
| Finished Good | : | At Cost, based on standard cost duly adjusting the variance or NRV, whichever is lower. |

J. Foreign Currency Transactions

- i) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end 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

Consolidated Notes to Financial Statements

(₹ in '000)

rate at the inception of such contracts 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.

K. Recognition of Income and Expenditure

- a) All Income and Expenditure are accounted for on accrual basis except as otherwise stated.
- b) Sales are inclusive of transport & delivery charges realised less excise duty, cess, rebates & claims, sales returns and discounts etc, if any.
- c) Export benefit entitlements to the Company under the EXIM/Foreign Trade Policy are recognised in the year of exports on accrual basis.

L. Borrowing Cost

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

M. 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.

N. 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.

O. Government Grants

Grants from Government are recognised on compliance of conditions and on reasonable assurance of the same being received. Grants received from Government Agencies against specific fixed assets are adjusted to the cost of the assets and Capital Grants for Project Capital Subsidy are credited to Capital Reserve. Revenue grants are recognized as other income or reduced from respective expenses.

P. Provisions, Contingent Liabilities 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.

Consolidated Notes to Financial Statements

(₹ in '000)

		As at March 31, 2014	As at March 31, 2013
Notes	2.1 SHARE CAPITAL		
Authorised			
1,49,90,000 (PY - 1,49,90,000) Equity Shares of ₹ 10/- each		149,900	149,900
1,000 (PY - 1,000) Redeemable Preference Shares of ₹ 100/- each		100	100
		150,000	150,000
Issued			
1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹10/- each		107,731	107,731
Subscribed and Paid-up			
1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹ 10/- each fully paid-up		107,731	107,731
Add: Forfeited Equity Shares (Amount originally paid-up)		246	246
		107,977	107,977

- a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- b) The Company has only one class of issued shares i.e. Equity Shares having par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c) R.V. Investment & Dealers Limited is the Holding Company of Ludlow Jute & Specialities Ltd.
- d) Details of shareholders holding more than 5% shares in the Company :

Equity Shares of ₹ 10 each fully paid	No. of Shares	
R V Investment & Dealers Ltd. (% age of Holding, CY - 62.345, PY - 59.825)	6,716,507	6,445,038

- e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- f) No shares have been allotted or has been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- g) No securities which are convertible into Equity/Preference shares have been issued by the Company during the year.
- h) No calls are unpaid by any directors or officers of the Company during the year.

Consolidated Notes to Financial Statements

(₹ in '000)

			As at March 31, 2014	As at March 31, 2013
Notes	2.2	RESERVES AND SURPLUS		
Capital Reserves				
As per the last Financial Statements			1,431	1,431
Capital Redemption Reserves				
As per the last Financial Statements			836	836
Security Premium				
As per the last Financial Statements			58,595	58,595
Revaluation Reserve				
As per the last Financial Statements			15,190	23,409
Less : Transfer to the Statement of Profit & Loss being difference of depreciation on revalued cost of assets and on the original cost			8,219	8,219
			6,971	15,190
General Reserve				
As per the last Financial Statements			28,322	19,879
Add: Transferred from Surplus			1,342	8,443
			29,664	28,322
Surplus				
As per the last Financial Statements			216,539	171,552
Add : Profit for the year			27,206	84,940
			243,745	256,492
Less : Appropriations				
Proposed Dividend			16,160	26,933
Corporate Dividend Tax on Proposed Dividend			2,746	4,577
General Reserve			1,342	8,443
			20,248	39,953
			223,497	216,539
Net Surplus			320,994	320,913

			As at March 31, 2014	As at March 31, 2013
Notes	2.3	MINORITY INTEREST		
In Equity				
Sijberia Industries Limited			4,812	4,812
4,81,864 (PY. 4,81,864) Equity Shares of ₹ 10/- each held by minority having 46.1% (PY. 46.1%) interest				
In Non Equity				
Sijberia Industries Limited			4,137	3,984
			8,949	8,796

Consolidated Notes to Financial Statements

(₹ in '000)

		Non-current portion		Current Maturities	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Notes	2.4	LONG-TERM BORROWINGS			
Term Loans (Secured)					
Rupee Loan from Bank					
		50,031	27,961	9,930	9,300
		50,031	27,961	9,930	9,300
Amount disclosed under the head "Other Current Liability" (Note 2.10)					
		-	-	9,930	9,300
		50,031	27,961	-	-

Rupee Term Loan from Bank is repayable in 10 semi-annual installment for ₹14600/- between March' 2012 to March' 2016, for ₹ 14821/- between January 2013 to March 2018 and for ₹ 15000/- between September 2013 to March 2018. The primary security against such asset is hypothecation of machineries purchased under the Term Loan. For the Term Loan of ₹. 28779/-received during the year, terms of repayments have not been finalised till date.

		As at March 31, 2014		As at March 31, 2013	
Notes	2.5	DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities					
Arising on account of :					
Depreciation					
			49,781		45,461
Less: Deferred Tax Assets					
Arising on account of :					
Section 43B of Income-tax Act					
		15,514		18,285	
Others					
		31	15,545	31	18,316
			34,236		27,145

		As at March 31, 2014		As at March 31, 2013	
Notes	2.6	OTHER LONG TERM LIABILITIES			
Other Liabilities					
Trade and Security Deposits					
			1,583		1,583
Statutory Liability					
			49		49
			1,632		1,632

		Long Term		Short Term	
		As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Notes	2.7	PROVISIONS			
Provision for Employee Benefits					
		11,639	11,288	35,115	44,136
Other Provisions					
Provisions for Taxation (Net of Payments)					
		-	-	2,276	7,554
Proposed Dividend					
		-	-	16,160	26,933
Corporate Dividend Tax					
		-	-	2,746	4,577
		-	-	21,182	39,064
		11,639	11,288	56,297	83,200

Consolidated Notes to Financial Statements

(₹ in '000)

		As at March 31, 2014	As at March 31, 2013
Notes	2.8	SHORT TERM BORROWINGS	
Working Capital Borrowings			
From Banks			
Rupee Loan from Bank (Secured)		23,636	42,936
Export Packing Credit (Secured)		7,096	-
		30,732	42,936

- a) Working Capital Borrowings in Rupee is secured against hypothecation of entire stocks together with bank's paripassu 1st charge on entire assets both present and future of the company.
- b) Export Packing Credit is secured against hypothecation of Stock of materials, semi-finished and finished goods.

		As at March 31, 2014	As at March 31, 2013
Notes	2.9	TRADE PAYABLES	
For Goods and Services			
		202,225	138,685
		202,225	138,685

		As at March 31, 2014	As at March 31, 2013
Notes	2.10	OTHER CURRENT LIABILITIES	
Current maturities of Long Term Debt (See Note 2.4)			
Dues to Employees		132,464	132,243
Unpaid and unclaimed dividends		4,642	3,451
Statutory Dues		19,266	19,235
Interest Accrued & Due		-	120
Advances Received from Customers		1,663	1,302
Others		479	121
		168,444	165,772

Notes	2.11	FIXED ASSETS										
		GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Cost/Value as at 31st March, 2013	Additions during the Year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2014	Upto 31st March, 2013	Provided during the year	Deductions/ Adjustments during the year	Depreciation for Addition on Revaluation during the year	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March 2013
TANGIBLE ASSETS												
		Freehold Land	18,351	-	-	18,351	-	-	-	-	18,351	18,351
		Buildings	166,019	433	-	166,452	125,058	1,192	4,778	131,028	35,424	40,961
		Plant & Machinery	740,709	67,515	8,629	799,595	459,460	40,619	8,197	3,441	495,323	281,249
		Furniture & Fittings	4,265	519	-	4,784	3,412	227	-	3,639	1,145	853
		Vehicles	45,162	3,905	5,510	43,557	24,400	3,391	3,355	24,436	19,121	20,762
		Office Equipment	12,943	808	-	13,751	9,276	949	-	10,225	3,526	3,667
		Total	987,449	73,180	14,139	1,046,490	621,606	46,378	11,552	8,219	664,651	381,839
INTANGIBLE ASSETS												
		Goodwill	(1)	-	-	(1)	-	-	-	-	(1)	(1)
		Total	(1)	-	-	(1)	-	-	-	-	(1)	(1)
		Grand Total :	987,449	73,180	14,139	1,046,490	621,606	46,378	11,552	8,219	664,651	381,839
		Previous Year :	943,788	64,742	21,081	987,449	593,182	40,549	20,344	8,219	621,606	365,843

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 ₹ 300,476 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 ₹ 6,971 as on 31.03.2014. (P.Y. 15,190)

Consolidated Notes to Financial Statements

(₹ in '000)

			Long Term		Short Term	
			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Notes	2.12	LOANS & ADVANCES				
Security Deposits						
Unsecured, considered good			1,704	1,699	-	-
			1,704	1,699	-	-
Other Loans and Advances (Unsecured, Considered good)						
Advance Tax and TDS including MAT Credit (Net of provisions)			2,610	567	-	2,015
Accrued Interest on Fixed Deposit			-	.	49	14
Advance against supply of Goods and Services			-	-	2,508	14,039
Prepaid Expenses			-	471	8,752	7,738
Advance to Employees			-	-	1,531	1,226
Balances with Government & Statutory Authorities			3,293	2,851	486	1,463
			5,903	3,889	13,326	26,495
			7,607	5,588	13,326	26,495

			As at March 31, 2014	As at March 31, 2013
Notes	2.13	INVENTORIES		
(As taken, valued and certified by the Management)				
Raw Materials			131,696	192,835
Work in Progress			28,100	23,828
Finished Goods (including in transit C.Y. ₹ 8,845/- P.Y. ₹ 9.883/-)			206,216	131,314
Stores and Spares etc			25,752	22,872
			391,764	370,849

Details of Inventories			Finished Goods		Work-in-Progress	
			As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Jute			206,216	131,314	28,100	23,828

			Current	
			As at March 31, 2014	As at March 31, 2013
Notes	2.14	TRADE RECEIVABLES		
Outstanding for a period exceeding six months				
Unsecured, considered good			20,185	10,714
			20,185	10,714
Other Receivables				
Unsecured, considered good			123,341	105,139
			143,526	115,853

Consolidated Notes to Financial Statements

(₹ in '000)

	As at March 31, 2014	As at March 31, 2013
Notes 2.15 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account	435	3,826
In EEFC Account	1,104	-
Cash in hand (Incl'd Stamps) (As certified by the Management)	1,427	2,078
	2,966	5,904
Other Bank Balances		
In Unpaid Dividend Account	4,642	3,452
Fixed Deposit with Bank with Original maturity of less than 12 months	17,625	16,960
Balances with Bank held as margin money / security	3,416	-
	25,683	20,412
	28,649	26,316

	Non-Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Notes 2.16 OTHER ASSETS				
Insurance Claim Receivable *	14,320	14,320	-	-
Interest Receivable	-	-	60	28
DEPB/FOCUS Licence Receivable	-	-	4,395	-
Duty Draw Back Receivable			3,179	3,593
Receivable from Jute Corp. of India (claim)			145	-
Recoverable from employees			395	77
Others	-	-	3	2
	14,320	14,320	8,177	3,700

* The above Insurance claim is outstanding for the last three years. On 06.12.2013 the company has filed a legal suit at National Consumer Dispute Redressal Commission (NCRDC), New Delhi. The management is hopeful of getting a favourable verdict in this regard. Hence creating provision against it has not been considered necessary by the management.

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes 2.17 REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (including Export Sales of CY ₹ 431,323, PY ₹ 664,781)	2,757,425	2,754,212
	2,757,425	2,754,212
Other Operating Revenues		
Export Benefits	13,916	17,080
Miscellaneous Sale	6,274	5,509
Interest Income	1,379	1,799
Insurance and Other Claims (Net)	5,652	16
	27,221	24,404
	2,784,646	2,778,616
Details of Sale of Products		
Jute Goods	2,757,425	2,754,212
	2,757,425	2,754,212

Consolidated Notes to Financial Statements

(₹ in '000)

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.18	OTHER INCOME		
Interest Income				
		On Banks Deposits	375	121
		Others	51	39
Dividend Income				
		On Long term investments	8	13
		On Current investments	-	-
Net gain/ (loss) on sale of Investments				
		On Long term investments		
Other Non Operating Income				
		Profit on sale of Fixed Assets	5,893	1,415
		Excess Liabilities and Unclaimed Balances written back	945	534
		Provision for doubtful debts of earlier year written back	-	-
		Excess Depreciation written back	-	-
		Net gain / (loss) on Foreign Currency transactions	-	3,573
		Misc. Income	-	-
			7,272	5,695

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.19	COST OF MATERIALS CONSUMED		
Raw Material Consumed				
		Opening Inventories	192,835	131,820
		Add : Purchase	1,482,910	1,538,834
			1,675,745	1,670,654
		Less: Closing Inventories	131,696	192,835
			1,544,049	1,477,819
Details of Raw Material Consumed				
		Jute	1,544,049	1,477,819
		Others	-	-
			1,544,049	1,477,819

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.20	(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS		
Inventories at the beginning of the year				
		Finished Goods	131,314	85,347
		Work-in-Progress	23,828	23,865
			155,142	109,212
Inventories at the end of the year				
		Finished Goods	206,217	131,314
		Work-in-Progress	28,099	23,828
			234,316	155,142
			(79,174)	(45,930)

Consolidated Notes to Financial Statements

(₹ in '000)

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.21	EMPLOYEE BENEFITS EXPENSE		
		Salaries & Wages	569,063	512,716
		Contribution to Provident Funds & Others	70,981	66,776
		Contribution to Gratuity Fund	40,204	46,418
		Staff Welfare Expenses	7,405	7,478
		Labour Charges (Manufacturing & Processing Exp)	76,754	70,180
			764,407	703,568

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.22	FINANCE COSTS		
		Interest Expenses		
		To Banks on Term Loans	6,348	1,812
		" Banks On Working Capital Loans	5,089	282
		" Bill Discounting Charges / Retirement of Bills	5,067	9,785
		" Others	718	692
			17,222	12,571
		Other Borrowing Cost		
		Other Financial Charges	1,770	1,927
			18,992	14,498

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes	2.23	OTHER EXPENSES		
		Manufacturing Expenses		
		Stores, Spare Parts & Packing Materials Consumed	125,038	126,917
		Power & Fuel	149,540	153,129
		Repairs to Buildings	11,482	11,937
		Repairs to Machinery	19,714	19,522
		Repairs to Other Assets	7,953	10,674
		Increase/(Decrease) in Cess on Stocks	611	495
			314,338	322,674

Consolidated Notes to Financial Statements

(₹ in '000)

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes 2.23 OTHER EXPENSES		
Selling and Administration Expenses		
Brokerage & Commission on Sales	8,610	7,714
Transport & Forwarding Expenses	36,684	64,347
Rent	1,102	1,073
Insurance	8,553	9,796
Rates & Taxes	870	1,326
Legal & Professional Expenses	30,023	2,862
Travelling Expenses	487	545
Miscellaneous Expenses	18,500	19,937
Auditors' Remuneration -		
Statutory Auditors -		
Audit Fees	412	410
Limited Review	112	112
Issue of Certificates	60	167
Cost Auditors -		
Audit Fees	25	25
Net (Gain)/Loss on Foreign currency transaction and translation	7,128	-
Directors' Commission	-	3,765
Directors' Fees	415	395
	112,981	112,474
	427,319	435,148

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes 2.24 DEPRECIATION AND AMORTISATION EXPENSE		
On Tangible Assets	54,597	48,768
Less: Transferred from Reserve on Revaluation	8,219	8,219
	46,378	40,549

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Notes 2.25 TAX EXPENSE		
Current Tax for the year	12,662	28,253
Add : Income Tax related to earlier years	(4,786)	96
Current Tax	7,876	28,349
Deferred Tax for the year	1,196	14,125
Add : Deferred Tax related to earlier year	5,896	3,265
Deferred Tax	7,092	17,390
	14,968	45,739

Consolidated Notes to Financial Statements

(₹ in '000)

Notes	2.26	CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :	As at March 31, 2014	As at March 31, 2013
a)		Bills Discounted with Banks	53,892	46,168
b)		Other Disputed Claims (ESI)(Gross) (Adv. paid ₹ 1,873, PY ₹ 1,873)	5,691	5,691
c)		Excise Duty Demand disputed		
	(i)	Excise Authority raised the demand on transit loss of Jute Batching Oil 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 for the year 1986-87 to 19 91-92. (Advance paid ₹ 300 PY ₹ 300)	1,780	1,780
d)	(i)	Disputed demand against Sales Tax for the year 1999-00 and 2004-05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv.paid ₹ 1,120, PY ₹ 1,120)(Gross)	4,498	4,708
	(ii)	Disputed demand against Sales Tax for the year 2005-06 to 2010- 2011 for which Appeal is pending before SR. and AD. Joint commissioner (CD) and WBCT (A&R) Board.	1,35,960	1,03,282
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 since 2002-03.	11,546	10,392
f)	a)	Outstanding Bank Guarantees	37,021	36,889
	b)	Outstanding Letter of Credit	59,064	75,481
2.27		Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to ₹ NIL, Previous Year ₹ 1,888)	142	20,033

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

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

	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
i) Employees Provident Fund	1,737	1,574
ii) Employees Pension Scheme	31,777	30,471

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

i) Benefits are of the following types :

- Every employee who has completed continuous 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.

Consolidated Notes to Financial Statements

(₹ in '000)

- ii) The amounts recognized in the Balance Sheet as at 31st March, 2014 are as follows :

	Gratuity	
	2013-14	2012-13
Present Value of funded obligations	3,02,034	2,56,701
Fair value of Plan Assets	2,71,013	2,15,885
Liabilities in respect of funded obligation based on actuarial valuation basis	31,021	40,816

The amounts recognized in the statement of Profit and Loss for the year ended 31st March, 2014 are as follow :

	2013-14	2012-13
Current service cost	24,694	21,942
Interest cost on obligation	25,143	18,971
Expected Return on plan assets(-)	20,965	13,236
Expected Return on any reimbursement right recognized as an asset	-	-
Net actuarial losses/(gains) recognized during the year	11,332	18,741
Past service cost	-	-
Losses/(gains) on curtailments and settlements	-	-
Total included in 'Employee Benefit Expenses'	40,204	46,418

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

	2013-14	2012-13
Present value of defined benefit obligation at the beginning of the year	2,56,701	2,17,581
Employer Service Cost (+)	24,694	21,942
Interest Cost (+)	25,143	18,971
Curtailement Cost (+)	-	-
Settlement Cost (+)	-	-
Plan Amendments	-	-
Acquisitions	-	-
Actuarial Gains (-)/ Loss (+)	(+)11,382	(+)18,674
Benefit Paid (-)	15,886	20,467
Present value of Defined Benefit obligations at the end of the year	3,02,034	2,56,701

- iv) Changes in the fair value of plan assets representing Reconciliation of opening and closing balances thereof are as follows :

	Gratuity	
	2013-14	2012-13
Change in Assets		
Fair value of Plan Assets at the beginning of the year	2,15,885	1,28,182
Acquisition adjustments		
Expected return on Plan Assets (+)	20,965	13,236
Actual Company Contribution (+)	50,000	95,000
Benefit Payments (-)	(15,886)	(20,467)
Appreciation / Depreciation of Plan Assets Actuarial Gain(+)/Loss(-)	(+)49	(-)66
Fair Value of Plan Assets at the end of the period	2,71,013	2,15,885

Consolidated Notes to Financial Statements

(₹ in '000)

- v) The major categories of plan assets as a percentage of total plan assets are as follows:

	Gratuity	
	2013-14	2012-13
Qualifying insurance policy	100%	100%

- vi) Principal actuarial assumptions at the balance sheet date are as follows :

	2013-14	2012-13
1 Mortality	LIC (2006-2008),ultimate table	LIC (1994-96), ultimate table
2 Morbidity	No Explicit Allowance	No Explicit Allowance
3 Withdrawal	2% to 1%, depending on the age and length of service	2% to 1%, depending on the age and length of service
4 Discount Rate	9% p.a. being consistent with the yield on Long Term Govt. Bond	8% p.a. being consistent with the yield on Long Term Govt. Bond
5 Salary Increase	7 % p.a.	5% p.a.
6 Normal Age of Retirement	58 Years	58 Years

- vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

- viii) In respect of provident funds for eligible employees maintained by a trust, in the nature of defined benefits plan, upto date shortfall, if any, as per actuarial valuation, in respect of contribution towards such fund is yet to be identified. However, contribution to those provident fund amounting to ₹ 8,844 (previous year ₹ 8,803) is recognized as expense and included in "Employees Benefit Expenses".

2.29 Raw materials, Stores & Spares Parts consumed include profit and/or loss on sale and excess/short found on physical verification.

2.30 The amount of borrowing cost capitalized during the year is ₹ Nil (previous year ₹ Nil).

2.31 a) Outstanding forward exchange contracts booked for the purpose of hedging Receivables/firm commitment are USD 115, EURO 41 & Sterling Pound Nil(Previous year USD 383,EURO 58 and Sterling Pound 23)

b) Unhedged foreign currency receivables USD 127, EURO 22 and Sterling Pound 21 (Previous Year USD 77, EURO Nil and Sterling Pound Nil) and payables are USD 249 (Previous Year USD 282).

c) The marked to market loss amounting to ₹ Nil(Previous Year – ₹ 4) has been accounted for. However, marked to market gain amounting to ₹ 329(Previous Year – ₹ 608) on Forward Exchange Contracts for firm commitments and highly probable forecast transaction has not been accounted for.

2.32 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 ₹ Nil. (Previous Year ₹ Nil).

2.33 As Company's business activities fall 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: -

	2013-14	2012-13
Within India	23,26,102	20,89,431
Outside India	4,31,323	6,64,781
Total	27,57,425	27,54,212

Consolidated Notes to Financial Statements

(₹ in '000)

2.34 Related Party Disclosures

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

A. Relationships

- 1) Subsidiary
 - a) Ludlow Exports Ltd.
 - b) Sijberia Industries Ltd.
- 2) Key Managerial Personnel (KMP)
 - a) Sri S.S.Kanoria (Executive Chairman)
 - b) Sri J.P.Sonthalia (Managing Director)
 - c) Sri B.M.Thakkar (Resident Director)

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

	2013-14		2012-13	
	Subsidiary	KMP	Subsidiary	KMP
a) Investment	-	-	-	-
b) Remuneration, Perquisites & Others	-	13,249	-	13,563
c) Director's Commission Balance outstanding at the year end	-	-	-	3,765
d) Creditors	-	-	-	-
e) Purchase of Services	-	-	-	-
f) Purchase of Shares	-	-	-	-
g) Purchase of Fixed Assets	-	-	3,898	-

2.35 Rates & Taxes includes ₹ 2 (previous year – ₹ Nil) and Electric Charges include ₹ 3 (previous year – ₹ Nil) relating to previous year.

2.36 Figures of less than Rs 1 have been shown at actual in brackets in Notes to Account No 2.11. Other than these all other figures in bracket are in negatives.

2.37 Figures of the Previous Year have been regrouped / rearranged wherever considered necessary.

As per our Report annexed

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

Place : Kolkata

Date : 9th day of May, 2014

For and on behalf of the Board

S. S. Kanoria
Executive Chairman

J. P. Sonthalia
Managing Director

Puja Guin
Company Secretary

National Electronic Clearing Service (NECS)

Mandate Form

MCS Share Transfer Agent Limited

Unit: Ludlow Jute & Specialities Limited

12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026

Telephone No: (033) 40724051/52/53

Email: mcssta@rediffmail.com

Shareholders holding shares in Physical Mode are requested to complete this form and send it to MCS Share Transfer Agent Limited

Shareholders holding shares in Electronic Mode are requested to contact their respective Depository participant

Dear Sir,

Payment through NECS

I hereby consent to have the amount of dividend on my Ordinary (Equity) Shares credited through the National Electronic Clearing Service (NECS). The Particulars are:

1. Folio No./Client ID No. DP ID NO.....
(Folio No. Given in ordinary (equity) share certificate(s) / DP & Client ID Nos. given by your DP)
2. Shareholder's Name (First /Sole).....
3. Shareholder's Address.....
.....
4. Telephone No.....E mail ID
5. Income Tax Permanent Account (PAN) No.....
6. Particulars of the Bank.....
 - Bank Name.....
 - Branch Name and Address.....
 - Mention the 9 digit-code number of the Bank and Branch appearing on the MICR cheque issued by the Bank.....

(Please attach the photocopy of a cheque or a cancelled blank cheque issued by your bank for verifying the accuracy of the code number.....

 - Account type:- Please Tick (✓) Savings Current Cash Credit
 - Account number (as appearing on the MICR cheque book).....
 - Date from which the mandate should be effective.....

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information or non-availability of NECS facility with Company' Banks at my place/city. I would not hold the Company /Registrar & Share Transfer Agent of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updating of records for purpose of credit of dividend amount through NECS.

Date:

Signature of the first/sole shareholder

LUDLOW JUTE & SPECIALITIES LIMITED

CIN: L65993WB1979PLC032394

Registered Office: 6, Nandalal Basu Sarani (formerly Little Russell Street)
4th Floor, Kolkata-700 071

Phone: 91-33-2283-9081/9082/9083, Fax: 91-33-2283-9078/4503

email: iinvestors.grievance@ludlowjute.com Website: www.ludlowjute.com.com

PROXY FORM

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

Name of Member(s)	
Registered Address:	
E-mail ID:	
Folio No.:	
Client ID/DP ID:	
I/We, being the Member(s), holding _____ shares of the above named Company, hereby appoint:	
(1) Name	Address:
E-mail ID:	Signature
OR failing him/her	
(2) Name:	Address:
E-mail ID:	Signature
OR failing him/her	
(3) Name	Address:
E-mail ID	Signature
OR failing him/her	

As my/ our proxy to attend and vote (on a poll) for me/us and on my behalf at the 35th Annual General Meeting of the Company, to be held on Friday, 5th September, 2014 at 3:00 p.m at Shripati Singhania Hall in Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 and at any other adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolutions	#	
		For	Against
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.		
2.	To declare dividend on equity shares for the financial year ended 31st March, 2014.		
3.	To appoint a Director in place of Shri Lalit Gopaldass Toolsidass (Shri L.G. Toolsidass), (holding DIN 00117771), who retires by rotation and being eligible offers himself for re-appointment.		
4.	To appoint a Director in place of Shri Jugal Kishore Bhagat (Shri J.K. Bhagat), (holding DIN 00055972), who retires by rotation and being eligible offers himself for re-appointment.		
5	To appoint Auditors and authorize the Board of Directors to fix their remuneration.		

Resolution No.	Resolutions	#	
		For	Against
Special Business			
6.	Appointment of Shri Ajay Kumar Todi (DIN 00004380), as Director of the Company.		
7.	Appointment of Shri Ajay Kumar Todi (DIN 00004380), as Managing Director of the Company.		
8.	Appointment of Shri Shyam Sundar Kanoria (DIN 000089492), as Chairman Emeritus of the Company.		
9.	Appointment of Shri Satish Kapur (holding DIN 00051163), as an Independent Director.		
10.	Appointment of Shri Jugal Kishore Bhagat (holding DIN 00055972), as an Independent Director		
11.	Appointment of Shri Arun Charan Mukherji (holding DIN 00063975), as an Independent Director.		
12.	Appointment of Shri Lalit Gopaldass Toolsidass (holding DIN 00117771), as an Independent Director.		
13.	Appointment of Shri Iswari Prasad Poddar (holding DIN 00507074), as an Independent Director.		
14.	Appointment of Shri Biswajit Choudhuri (holding DIN 00149018), as an Independent Director.		
15.	Consent under section 180(1) (c) of the Companies Act, 2013 for a borrowing not exceeding Rs. 60 Crores/- (Rupees Sixty Crores only).		
16.	Consent under section 180(1) (a) of the Companies Act, 2013.		
17.	Approval of the remuneration of the Cost Auditor.		

Signed this _____ day of _____, 2014

Signature of Shareholder(s) _____

Signature of Proxyholder(s) _____

Affix Revenue Stamp

Note :

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the resolutions, notes and statement on special business, please refer to the Notice of the Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.

LUDLOW JUTE & SPECIALITIES LIMITED

CIN: L65993WB1979PLC032394

Registered Office: 6, Nandalal Basu Sarani (formerly Little Russell Street)
4th Floor, Kolkata-700 071

Phone: 91-33-2283-9081/9082/9083, Fax: 91-33-2283-9078/4503

email: iinvestors.grievance@ludlowjute.com Website: www.ludlowjute.com.com

35th Annual General Meeting

ATTENDANCE SLIP

1. Name(s) of Member(s) :	
Including joint holders, if any	
2. Registered address of the Sole/ :	
First named Member	
3. No. of Shares held :	
4. DP ID No. & Client ID No./ :	
Registered Folio No.	

1. I hereby record my presence at the 35th Annual General Meeting of the Company being held at Shripati Singhanian Hall in Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020, on Friday, the 5th September 2014 at 03:00 P. M.
2. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

Signature of the Shareholder/Proxy present

Note : PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING

ELECTRONIC VOTING

Your e-voting user ID and password are provided below:

E-voting Event Number (EVEN)	User ID	Password

Note : The voting period starts from 10.00 a.m. on Saturday, 30th August, 2014 and will end at 6.00 p.m. on Monday, 1st September, 2014.

Thereafter, the voting module shall be disabled by CDSL.

Kindly refer to the e-voting instructions on the reverse of this page.

INSTRUCTIONS ON ELECTRONIC VOTING

- (A) In case of members receiving e-mail:
- (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now Enter your User ID:
 1. For CDSL: 16 digits beneficiary ID,
 2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
 - (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. – Sequence number is communicated in the address label. In case you have received this communication through email, the Sequence Number (SQ) is furnished therein next to your DP ID/Client ID/Folio no.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
Details	Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
 - (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the EVSN for the relevant <Ludlow Jute & Specialities Limited> on which you choose to vote.
 - (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B) In case of members receiving the physical copy:
Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (C) The e-voting period commences from **at 10.00 a.m on Saturday, 30th August, 2014 and will end at 6.00 p.m. on Monday, 1st September, 2014.** During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 01, 2014 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com



LUDLOW JUTE & SPECIALITIES LIMITED

6, NANDALAL BASU SARANI
(Formerly Little Russell Street)
KOLKATA - 700 071

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