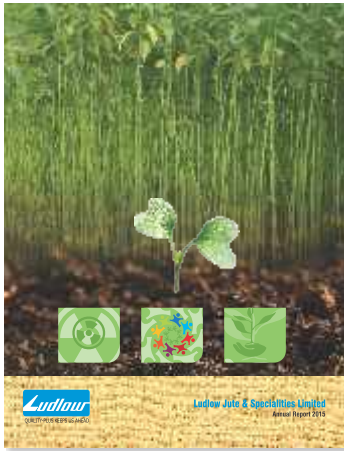




QUALITY-PLUS KEEPS US AHEAD

**Ludlow Jute & Specialities Limited**

Annual Report 2015



## FORWARD LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



This Annual Report is available online at [www.ludlowjute.com](http://www.ludlowjute.com)

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# CORPORATE INFORMATION

Thirty Sixth Annual Report 2014-2015

## BOARD OF DIRECTORS

**Shri S. S. Kanoria**  
*Chairman Emeritus*

**Shri R. V. Kanoria**  
*Non-Executive Chairman*

**Shri A. C. Mukherji**  
*Director*

**Shri J. K. Bhagat**  
*Director*

**Shri I. P. Poddar**  
*Director*

**Shri B. Choudhuri**  
*Director*

**Shri L. G. Toolsidass**  
*Director*

**Shri S. Kapur**  
*Director*

**Ms. Nayantara Palchoudhuri**  
*Director*

**Shri Ajay Todi**  
*Managing Director*

**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 - 700 026  
Phone : +91 33 4072 4051 / 52 / 53  
Fax : +91 33 4072 4050  
Email : mcssta@rediffmail.com

**REGISTERED OFFICE**  
6, Nandalal Basu Sarani  
(Formerly Little Russell Street)  
Kolkata - 700 071, West Bengal, India  
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

## Directors' Report

Dear Members

Your Directors take pleasure in presenting their Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2015.

### 1. FINANCIAL SUMMARY

(₹ in crores)

Particulars	2014-2015	2013-2014
Sales excluding excise duty	230.20	272.98
Profit before Finance Costs and Depreciation	(4.58)	10.69
Less : Finance Costs	4.26	1.90
Gross Profit	(8.84)	8.79
Less: Depreciation and amortisation	7.13	4.63
Profit before Exceptional Items and Tax	(15.97)	4.16
(Less)/ Add: Exceptional items	9.31	-
Profit before Tax	(6.66)	4.16
Less: Tax expenses	2.31	1.48
Profit for the Year	(4.35)	2.68
Add: Balance as per last financial statements	22.21	21.55
Adjustment for Depreciation (net of tax)	(0.96)	-
Add : Adjustment for Tax of earlier year	-	-
Profit available for appropriations	16.90	24.23
Appropriations:		
General Reserve	Nil	0.13
Proposed Dividend on Equity Shares	0.54	1.62
Corporate Dividend Tax	0.11	0.27
Total	0.65	2.02
<b>Balance carried forward to Balance Sheet</b>	<b>16.25</b>	<b>22.21</b>

### 2. DIVIDEND

The Board of Directors recommends, for consideration of shareholders at the Annual General Meeting, a Dividend @ 5% (₹ 0.50 per share) on Equity Shares of ₹ 10/- each for the year ended 31 March, 2015.

### 3. TRANSFER TO RESERVES

No amount has been transferred to the General Reserve.

### 4. OPERATIONS

During the year under review, the Company's sale was ₹ 232.51 crores (including exports of ₹ 44.53 crores) against sales of ₹ 275.74 crores (including exports of ₹ 43.13 crores) during the previous year. The production was 37195 MT against 48501 MT during the previous year.

The year gone by witnessed unprecedented difficulties in the Jute industry. Government orders for sacks for food grain packing had been irregular throughout the calendar year 2014 which directly impacted our working.

Delay in renewal of the Jute Packaging Materials Act (JPMA) created an environment of acute uncertainty. Lack of regular Government orders as per commitments made by the States, especially from Punjab, led to scenes of labour unrest and closures at numerous Jute mills. It is a matter of satisfaction that we were able to maintain harmony and continuous operations.

Jute prices witnessed a down-trend in the first half of 2014-15. However, due to lower jute production owing to unfavourable weather conditions, Jute prices have been bullish since the second half of the year. Inflationary pressures





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## Directors' Report

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in India resulted in huge increases in regular Dearness Allowance throughout the year. Further, in order to appease the huge labour force, the State Government exerted pressure on the Indian Jute Mills Association for accepting a massive hike in entry-level wages. This was finally accepted and will result in further increase in labour costs next year.

The year witnessed extreme volatility in foreign exchange rates and the weakness in the Euro following recession in Europe largely affected European business. However, we have been able to sustain our export levels last year. Indian Jute exports also remain under pressure due to lower export benefits as compared to Bangladesh where a ten percent export subsidy coupled with interest subventions to industry have been allowed by the Bangladesh Government to support their cause.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### i) Industry Structure and Developments

The JPM (Jute Packaging Materials) Act, 1987 was finally renewed for 2014-15 vide a notification issued in January 2015 after a long period of uncertainty. Use of Jute, the natural bio-degradable eco-friendly fibre, extensively used for packaging and healthy preservation of food grains and sugar has been encouraged by the Government of India and the stipulation for packaging 90% of food-grains in Jute packaging was retained. Also, packaging of not more than 20% sugar in non-jute packaging was allowed with some exceptions allowed as desired by the sugar industry.

As stated earlier, lack of regular Government procurement in 2014-15 has caused great labour unrest at several mills. Incidents of violence were reported at several reputed mills as well. However, Ludlow has maintained harmony and peaceful operations in the face of such adversity.

A major initiative for promoting Jute geotextiles, especially for road applications, has been initiated by the Jute industry. Approvals for road applications for geotextiles have already been issued by several State Governments in the last year.

#### ii) Opportunities

Jute is recognised as a sustainable, natural, renewable, biodegradable and eco-friendly product. Leveraging the environment friendly nature of Jute is the single-largest opportunity which the industry has to latch on to. Creating awareness and enhancing the lifestyle appeal for Jute products could convert this industrial packaging based industry into a product of mass public appeal. Huge efforts are required in terms of vision and value creation through technological treatments, offered forms, marketing finesse etc. in order to move ahead. World population is faced with ecological problems due to non-biodegradable toxic waste generated out of synthetics like HDPE/PP etc. In this context prospects are there for usage of Jute geo-textiles, shopping bags, carpet yarns, apparel, composites, decoratives, upholstery furnishings, and also non-wovens for both technical and non technical purposes.

#### iii) Threats/Risks and Concerns

The JPMA (Jute Packaging Material Act, 1987) is renewed for one year at a time whereby there is uncertainty in the industry all the time. This does not augur well for bigger long-term investments in Jute sacking.

Productivity linked labour costs have to be instituted if the Jute industry has to be competitive vis-à-vis Bangladesh/Nepal. Ad hoc wilful absenteeism without prior notice is a cause of serious concern. Continuous increases in wage cost due to upward revision in base rate as well as dearness allowances is a major threat in view of the labour-intensive nature of the Jute industry.

Jute, being an agricultural crop, is dependent on weather conditions for growth. It also faces competition from other crops like pulses and oilseeds.

Central and State Government policies, especially with regard to export incentives and labour costs, require to be geared for providing a level playing field for the Jute industry to face competition from Bangladesh.

#### iv) Segment-wise or Product-wise 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 stands compiled.

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## Directors' Report

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### v) Outlook

During the current year, the jute crop is expected to be normal with rain and weather conditions having been favourable. However, owing to the low carry over stock from 2014-15 jute year, the prices of jute are expected to remain at least 25% higher than last year in the first half of 2015-16. This would exert pressure on export markets as well as create substitution opportunities for synthetics.

On the domestic front, efforts have been made by the Jute Commissioner's Office for putting curbs on illegal imports from Bangladesh/Nepal by unscrupulous players. With the basis of Government orders getting linked to annual turnover and actual production, true players like Ludlow are likely to benefit in the long run.

While the local demand will be commensurate to growth in food grains output, the competition from the export subsidy aided and low wage cost assisted Bangladeshi Jute Industry will only grow. Improved productivity and value-additions have to be aimed for going forward.

The shake-up in the Middle-East, especially in Syria/Egypt and the changes in Iran are likely to create new avenues for business in that geography. USA and Europe business outlook is looking better now which augurs well for the future.

### vi) Internal Control System and their adequacy

The Company has adequate internal control procedures, which provide reasonable assurance with regard to safeguarding the Company's assets, preventing revenue leakages, promoting operational efficiency by cost control and compliance with various statutory provisions. Audit reports are placed before the Audit Committee on a periodical basis, for review. The Committee actively reviews the adequacy and effectiveness of the internal control systems which are well supplemented by surveillance of Internal Auditors.

### vii) Industrial Relations Front

While several untoward incidents were reported at other jute mills in the last year, we are happy to inform that industrial relations at your Company remained cordial during the year under review. The Company continues to provide benefits and facilities to deserving staffs under the various staff welfare schemes during the year. In conjunction with National Jute Board, your Company has implemented scholarship for children of jute mill workers extensively. During the Durga Puja festival, a talent competition for the jute mill workers' children was organized which was a unique step forward in community engagement at Ludlow. Collective participation is encouraged at all levels.

The Company has constituted an Anti-Sexual Harassment Committee for prevention, prohibition and redressal of complaints/grievances on the sexual harassment of women at work places.

### viii) Cautionary Statement

Statements made in this section of the report are based on the prevailing position in the jute industry and market conditions. Actual results might differ from what we perceive with respect to Company's outlook and performance.

## 6. CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013 and as stipulated under the Listing Agreement with the Stock Exchanges, a separate section on corporate governance along with a certificate from the statutory auditors of the Company confirming the compliance, is annexed and forms part of this Report.

## 7. EXTRACT OF THE ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return for the year ended 31st March, 2015 in MGT 9 is annexed as Annexure II, forming part of this report.



## Directors' Report

### 8. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

The Company has not given any loan, guarantee or made any investments exceeding sixty per cent of its paid up share capital, free reserve and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, as prescribed in Section 186 of the Companies Act, 2013.

### 9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

A Related Party Policy has been devised by the Board of Directors for determining the materiality of transactions with related parties and dealing with them. The said policy may be referred to, at the website of the Company [www.ludlowjute.com](http://www.ludlowjute.com). The Audit Committee reviews all related party transactions quarterly. Further the members may note that there was no material contract or arrangement or transaction at arm's length basis entered with a related party during the year under review.

### 10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act 2013, read with Rule 8 of the Companies (Accounts) Rules 2014, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed as Annexure I forming part of this Report.

### 11. RISK & MITIGATING STEPS

The Company has identified various risks faced from different areas. As required under Clause 49 of the Listing Agreement, the Board has adopted a Risk Management Policy whereby a proper framework is set up. Appropriate structures are present so that risks are inherently monitored and controlled. A combination of policies and procedures attempts to counter risk as and when they evolve.

The Company has also formed a Risk Management Committee which monitors the risk element and mitigation procedures at periodical intervals. The constitution and terms of reference are set out in details in the Corporate Governance Report.

The risks and its mitigating factors are discussed by the Committee and subsequently placed before the Board.

### 12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors of the Company has devised a CSR Policy at its Board Meeting held on 29th July, 2014 which inter-alia states the constitution of the CSR Committee and CSR activities to be taken up by the Company. The said policy may be referred to on the Company's official website [www.ludlowjute.com](http://www.ludlowjute.com).

The present constitution of the Committee is as follows :

Sl. No.	Name of the Director	Category	Designation in the Committee
1	Mr. J. K. Bhagat	Independent Director	Chairman
2	Mr. R. V. Kanoria	Non Executive Chairman	Member
3	Mr. Ajay Todi	Managing Director	Member

The Company has always been proactive in fulfilling its social responsibilities. Ludlow Academy, a primary school catering to education for children in the vicinity of its Jute Mill, is rendering yeomen service to the community.

However, CSR in terms of Section 135 of the Companies Act, 2013 was not mandated by the Board in view of impact on the shareholders given the current economic situation in the Jute industry.

### 13. VIGIL MECHANISM/WHISTLE BLOWER POLICY

A Vigil Mechanism/Whistle Blower Policy has been formulated by the Company for its Directors and Employees. The policy allows intimation by affected persons in good faith of any concern or misconduct through a written communication. The Audit Committee oversees the vigil mechanism for disposal of the complaints. The said policy may be referred to on the Company's website [www.ludlowjute.com](http://www.ludlowjute.com).

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## Directors' Report

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### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. J.P. Sonthalia resigned as the Managing Director of the Company w.e.f 09th May, 2014 and subsequently resigned from the Directorship of the Company on 18th July, 2014.

Mr. B.M. Thakkar, who was appointed as the Managing Director of the Company on 09th May, 2014 has resigned from the said position on 23rd June, 2014.

Mr. Ajay Todi was elevated as the Managing Director of the Company with effect from 1st July, 2014.

After several decades of distinguished contributions to the Company's progress, Mr. S.S. Kanoria expressed his desire not to continue as the Chairman and Director of the Company due to health constraints and accordingly the Board accepted his resignation with effect from 29th July, 2014.

Ms. Nayantara Palchoudhuri, noted industrialist and an eminent citizen, was appointed as an Independent Woman Director by circular board resolution dated 24th September, 2014. This is also in keeping with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. R.K. Gupta, Vice President (Finance & Accounts), has been elevated as Chief Financial Officer of the Company in compliance with the provisions of the Companies Act, 2013.

None of the Directors of the Company are disqualified for being appointed as a Director, in terms of Section 164(2) of the Companies Act, 2013.

#### I. Declaration From Independent Directors on Annual Basis

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013.

#### ii. Nomination and Remuneration Policy

The Company has devised a policy on nomination and remuneration of Directors and Senior Management Employees. The Nomination and Remuneration Committee reviews the composition and diversity of the Board, keeping in view the requirements of Companies Act, 2013 and Listing Agreement and recommends to the Board, appointment/re-appointment of eligible personnel including their terms of appointment and remuneration. The Nomination and Remuneration Policy including criteria for determining qualifications, positive attributes and independence of a director has been formulated. The said Policy may be referred to on the Company's website [www.ludlowjute.com](http://www.ludlowjute.com).

The performance of the Board has been evaluated as per the policy in that regard laid down.

#### III. Ratio of Remuneration to each Director

Details of Ratio of Remuneration of each Director to the median employee's remuneration is annexed as Annexure IV.

### 15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable Accounting Standards had been followed;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgements 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/loss of the Company for that period;
- c) 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;





## Directors' Report

- d) That the Directors have prepared the accounts for the financial year ended 31st March, 2015, on 'a going concern' basis;
- e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### 16. BOARD MEETINGS

During the financial year ended 31st March, 2015 five meetings of the Board of Directors of the Company were held at a gap not exceeding one hundred and twenty days as per Section 173 of the Companies Act, 2013 in the year under review. More details are available in the Corporate Governance Report.

### 17. AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee have been furnished in the Corporate Governance Report forming a part of this report. There have been no instances where the Board has not accepted the recommendations of the Audit Committee.

### 18. PARTICULARS OF EMPLOYEES

No employee of the Company was in receipt of remuneration exceeding the limit as prescribed under Section 134 of the Companies Act, 2013.

### 19. FIXED DEPOSIT

Your Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

### 20. SUBSIDIARY COMPANIES

During the year no Company became or ceased to be a subsidiary, joint venture or associate of the Company.

The Performance and Financial position of the subsidiaries are as hereunder :

(₹ in 000)

Financial Position	Sijberia Industries Ltd.	Ludlow Exports Ltd.
Reporting Currency	INR	INR
Share Capital	10,440	2,500
Reserves and Surplus	10,384	338
Total Assets	21,099	2,953
Total Liabilities	21,099	2,953
% of Shareholding	53.91%	100%

Performance	Sijberia Industries Ltd.	Ludlow Exports Ltd.
Turnover	1,457	238
Profit before Tax	754	206
Provision for Taxation	238	65
Profit after Tax	516	141
Proposed Dividend	Nil	Nil

### 21. CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the consolidated financial statements have been prepared by the Company in accordance with the applicable Accounting Standards. The audited consolidated financial statements together with Auditors' Report form part of the Annual Report.

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## Directors' Report

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### 22. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material changes and commitments affecting the Financial position of the Company have occurred between 31st March, 2015 and the date of Directors' Report.

### 23. LISTING WITH STOCK EXCHANGE

Your company is listed with BSE Limited and has paid listing fees for the financial year 2015-16.

### 24. STATUTORY AUDITORS

In the last AGM held on 5th September, 2014, M/s. Singhi & Co., Chartered Accountants had been appointed as Statutory Auditors of the Company for a period of three years. Ratification of the appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed with this report. The observations made in the Auditors' Report are self explanatory and therefore do not call for any further comments.

### 25. 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. In view of the same, M/s Prasad & Co., Cost Accountants have been appointed as Cost Auditors to conduct the audit of Cost Records of your Company for the financial year 2015-16. The remuneration proposed to be paid to them, recommended for ratification by the Audit Committee, requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

### 26. SECRETARIAL AUDIT

In terms of Section 204, of the Act and Rules made thereunder, Mr. B.N. Khandelwal, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as Annexure III to this report. The report is self explanatory and does not call for any further comments.

### 27. ENVIRONMENT AND SAFETY

Pioneering green business practices is the buzzword today. Your Company firmly believes in environment protection and conservation of natural resources to the extent possible. We have taken initiatives to produce eco-friendly products while complying with environment and pollution standards. Safety, in all aspects of manufacturing, is given full attention by the Company.

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

### 28. APPRECIATION

The Directors wish to place on record their appreciation for the commitment and contributions made by the employees.

They would like to express their sincere gratitude to the Banks, Government Authorities, Customers, Dealers and all Stakeholders for their continued support to the Company. We value the enduring relation and co-operation from all associates.

For and on behalf of the Board

Registered Office :  
6, Nandalal Basu Sarani  
(formerly: Little Russell Street)  
Kolkata - 700 071  
Dated : 12th May, 2015

**R. V. Kanoria**  
*Non-Executive Chairman*

**Ajay Todi**  
*Managing Director*



## Annexure to the Directors' Report

### ANNEXURE I

Information under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Disclosure Of Particulars in the Board's Report) Rules, 1988 and Rule 8(3) of Companies (Accounts) Rules 2014 and forming part of the Board's Report.

#### 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 Looms.
- Change of Belts to reduce slippage and better utilization and conservation of power.
- Maintenance of all machines, including boilers and compressors 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'

	2014-2015	2013-2014
<b>A Power &amp; Fuel Consumption :</b>		
<b>1 Electricity :</b>		
a) Purchased :		
Units (in lac Kwh)	170.44	201.60
Total Amount (₹ in lacs)	1,347.93	1,403.41
Avg. Rate / unit (₹)	7.91	6.96
b) Own Generation :		
Through Diesel Generator		
Units (in lac Kwh)	0.89	3.85
Units per litre of Diesel Oil	2.32	2.74
Cost / unit (₹)	25.82	20.55
<b>2 Coal (used for generation of steam in boiler) :</b>		
Quantity (in tons)	364	165
Total Cost (₹ in lacs)	32.72	12.97
Average Rate (₹)	8,996	7,842
<b>B Consumption per unit of production :</b>		
Production (Unit : M.T.)	37,195	48,501
Electricity (Kwh)	460.63	423.59
Coal (Kgs.)	9.80	3.40

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## Annexure to the Directors' Report

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### 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 bodies for the Jute Industry and is getting the benefits thereof.

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

The Company derives benefits 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. Development of new products to meet new customer requirements is an ongoing process.

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

#### (a) Export activities :

During the year under review, the FOB value of the exports of the Company was ₹ 4,368 lacs as against ₹ 4,130 lacs in the last year.

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

Used ₹ 3,418 lacs.

Earned ₹ 4,368 lacs.



## Annexure to the Directors' Report

### ANNEXURE II

Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

for the financial year ended 31st March, 2015

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

#### I. REGISTRATION AND OTHER DETAILS :

i) CIN	L65993WB1979PLC032394
ii) Registration Date	4/12/1979
iii) Name of the Company	Ludlow Jute & Specialities Limited
iv) Category / Sub-Category of the Company	Public Company Limited by shares
v) Address of the Registered office and contact details	6, Nandalal Basu Sarani (formerly Little Russell Street) Kolkata 700071 Telephone : 91-33 -2283-9081/9082 Fax Number : 91-33-2283-9078/4503 Email Address : info@ludlowjute.com / investors.grievance@ludlowjute.com
vi) Whether listed Company ? Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700 026 Telephone : +91-33-4072 4051/52/53 Fax Number : +91- 33-4072 4050 Email Address : mcskol@rediffmail.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of Main Product/Services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Jute	630510.04	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section of Companies Act, 2013
1	R. V. INVESTMENT & DEALERS LTD	U65993WB1972PLC028595	Holding	62.35%	2(46)
2.	LUDLOW EXPORTS LIMITED	U65191WB1994PLC065400	Subsidiary	100%	2(87)
3	SIJBERIA INDUSTRIES LIMITED	U65191WB1994PLC065401	Subsidiary	53.91%	2(87)

## Annexure to the Directors' Report

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

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	10300		10300	0.0956	10300		10300	0.0956	
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7228908	-	7228908	67.1013	7228908	-	7228908	67.1013	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub – Total (A) (1)	7239208	-	7239208	67.1969	7239208	-	7239208	67.1969	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub–Total (A) (2)	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1) +(A)(2)</b>	<b>7239208</b>	<b>-</b>	<b>7239208</b>	<b>67.1969</b>	<b>7239208</b>	<b>-</b>	<b>7239208</b>	<b>67.1969</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	600	600	0.0056	-	600	600	0.0056	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub–Total (B)(1)	-	600	600	0.0056	-	600	600	0.0056	-
2. Non–Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	250788	19501	270289	2.5089	231526	17901	249427	2.3153	(0.1936)
ii) Overseas	23488	-	23488	0.2180	38686	-	38686	0.3591	0.1411



## Annexure to the Directors' Report

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1345778	1038457	2384235	22.1313	1292639	1017358	2309997	21.4422	(0.6891)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	855290	-	855290	7.9392	935192	-	935192	8.6808	0.7416
c) Others	10	-	10	0.0001	10	-	10	0.0001	-
<b>Sub-Total –B (2)</b>	<b>2475354</b>	<b>1057958</b>	<b>3533312</b>	<b>32.7975</b>	<b>2498053</b>	<b>1035259</b>	<b>3533312</b>	<b>32.7975</b>	<b>-</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>2475354</b>	<b>1058558</b>	<b>3533912</b>	<b>32.8031</b>	<b>2498053</b>	<b>1035859</b>	<b>3533912</b>	<b>32.8031</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>9714562</b>	<b>1058558</b>	<b>10773120</b>	<b>100</b>	<b>9737261</b>	<b>1035859</b>	<b>10773120</b>	<b>100</b>	<b>-</b>

### ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
1.	Shyam Sundar Kanoria	5200	0.0483	-	5200	0.0483	-	-
2	Rajya Vardhan Kanoria	5100	0.0473	-	5100	0.0473	-	-
3	R V Investment & Dealers Ltd.	6716507	62.345	-	6716507	62.345	-	-
4	Kirtivardhan Finvest Services Ltd	512401	4.7563	-	512401	4.7563	-	-
	<b>Total</b>	<b>7239208</b>	<b>67.1969</b>	<b>-</b>	<b>7239208</b>	<b>67.1969</b>	<b>-</b>	<b>-</b>

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

There is no change in the shareholding of the Promoter Group

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

Sl. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Manu Gopaldas Chhabria	311661	2.8930	314515	2.9194
2.	Madhu Manu Chhabria	56607	0.5254	63807	0.5923
3.	Rishra Investments Limited	58006	0.5384	58006	0.5384

## Annexure to the Directors' Report

Sl. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	Ruby Amin Merchant	43500	0.4038	53500	0.4966
5.	Cyrus Shavak Patel	-	-	50000	0.4641
6.	Bina Devi Murarka	42028	0.3901	39980	0.3711
7.	Om Nath Garg	-	-	36920	0.3427
8.	Vijay Kumar Agarwala	35994	0.3341	35994	0.3341
9.	Amin Hasanali Merchant	31640	0.2937	31640	0.2937
10.	Abhishek Kankaria	29997	0.2784	29997	0.2784

### v) Shareholding of Directors and Key Managerial Personnel

Sl.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year		
		Name of the Director/KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	S. S. Kanoria*		5200	0.0483	5200	0.0483
2.	R. V. Kanoria		5100	0.0473	5100	0.0473
3.	Satish Kapur		1000	0.009	1000	0.0090
4.	Ajay Todi		500	0.005	500	0.0050

\*Mr. S.S. Kanoria resigned from the Board on 29th July, 2014.

### vi) Indebtedness

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

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1) Principal Amount	14.15	-	-	14.15
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.06	-	-	0.06
<b>Total (1+2+3)</b>	<b>14.21</b>	<b>-</b>	<b>-</b>	<b>14.21</b>
Change in Indebtedness during the financial year				
+ Addition	11.35	10.00	-	21.35
- Reduction	0.99	7.00	-	7.99
<b>Net Change</b>	<b>10.36</b>	<b>3.00</b>	<b>-</b>	<b>13.36</b>
Indebtedness at the end of the financial year				
1) Principal Amount	24.57	3.00	-	27.57
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.06	0.09	-	0.15



## Annexure to the Directors' Report

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Total (1+2+3)</b>	<b>24.63</b>	<b>3.09</b>	<b>–</b>	<b>27.72</b>

### vii) Remuneration of Directors and Key Managerial Personnel

#### A. Remuneration of Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of Managing Director	Total Amount (in ₹)
		Mr. Ajay Todi (w.e.f. 01.07.14)	
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	21,15,000	21,15,000
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	17,97,750	17,97,750
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL
2.	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission		
-	- As a % of Profit		
-	- Others Specify	NIL	NIL
5	Others, please specify		
	Provident Fund & other Funds		
	Performance Bonus	NIL	NIL
	<b>Total (A)</b>	<b>39,12,750</b>	<b>39,12,750</b>

#### B. Remuneration of other Directors :

##### Independent Directors

Particulars of Remuneration	Name of Directors							Total Amount (in ₹)
	Mr. A.C. Mukherji	Mr. J.K. Bhagat	Mr. I. P. Poddar	Mr. B. Choudhuri	Mr. L.G. Toolsidass	Mr. Satish Kapur	Ms. Nayantara Palchoudhuri	
Fees for attending Board/ Committee meetings	70,000	77,500	1,02,500	80,000	1,00,000	50,000	20,000	5,00,000
Commission	–	–	–	–	–	–	–	–
Others, please specify	–	–	–	–	–	–	–	–

## Annexure to the Directors' Report

### Other Non-Executive Directors

Particulars of Remuneration	Name of Directors		Total Amount (in ₹)
	Mr. R.V. Kanoria		
Fees for attending Board/Committee meetings	50,000		50,000
Commission	-		-
Others, please specify	-		-

### C. Remuneration of Key Managerial Personnel other than Managing Director/Manager/Whole Time Director

Sl. No.	Particulars of Remuneration	Name of the Key Managerial Personnel		Total Amount (in ₹)
1.	Gross Salary	Mr. R.K. Gupta	Ms. Puja Guin	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	7,85,400	2,41,320	10,26,720
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	3,90,875	82,893	4,73,768
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- As a % of Profit			
	- Others Specify	NIL	NIL	NIL
5.	Others, please specify			
	Contribution to Provident Fund	NIL	NIL	NIL
	Performance Bonus	NIL	NIL	NIL
	<b>Total (C)</b>	<b>11,76,275</b>	<b>3,24,213</b>	<b>15,00,488</b>

viii) Penalties/Punishment/Compounding of Offences (Under the Companies Act, 2013) : None



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## Annexure to the Directors' Report

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### Secretarial Audit Report

**ANNEXURE III**

For The Financial Year Ended 31st March, 2015

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

To  
The Members

**Ludlow Jute & Specialities Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Ludlow Jute & Specialities Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company 's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by Ludlow Jute & Specialities Limited ("the Company"), for the financial year ended 31st March, 2015, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- 5) The Listing Agreement entered into by Company with BSE Limited;

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

I have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliances under the other act, laws and regulations applicable to the Company.

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

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## Annexure to the Directors' Report

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

Place: Kolkata  
Date: 22nd April, 2015

Sd/-  
**B. N. Khandelwal**  
*Company Secretary in Practice*  
ACS: 1614  
CP: 1148





## Annexure to the Directors' Report

### ANNEXURE IV

(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;	Mr. S. S. Kanoria – 20.78:1 Mr. A. K. Todi – 32.52:1 Mr. J. P. Sonthalia – 37.71:1 Mr. B. M. Thakkar – 19.48:1												
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Key Managerial Personnel : Mr. Ajay Todi, MD (w.e.f. 1.7.2014) : N.A. Mr. R. K. Gupta, CFO: 11.88% Ms. Puja Guin, CS : 11.72% Other directors do not draw remuneration												
(iii)	The percentage increase in the median remuneration of employees in the financial year;	5.77%												
(iv)	The number of permanent employees on the rolls of Company;	983 employees as on 31.03.2015												
(v)	The explanation on the relationship between average increase in remuneration and Company performance;	Average increase in remuneration of all employees was 9.01% for the year 2014-15. The increment is as per the terms of employment and based on the performance during the year 2013-14.												
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	The increase in remuneration of the Chief Financial Officer and Company Secretary are made partly on the basis of their performance and partly on the basis of Company's performance.												
(vii)	a. Variations in the market capitalisation of the Company; b. Price earnings ratio as at the closing date of the current financial year and previous financial year; c. Increase/decrease in market quotations of the shares of the Company as at the close of the current financial year and previous financial year.	<table border="1"> <thead> <tr> <th></th> <th><b>2014-15</b></th> <th><b>2013-14</b></th> </tr> </thead> <tbody> <tr> <td>Market Capitalisation (₹ in lacs) :</td> <td>2,160.01</td> <td>2,849.49</td> </tr> <tr> <td>Price Earnings Ratio :</td> <td>-4.99:1</td> <td>10.62:1</td> </tr> <tr> <td>Market Quotations:</td> <td>20.05</td> <td>26.45</td> </tr> </tbody> </table>		<b>2014-15</b>	<b>2013-14</b>	Market Capitalisation (₹ in lacs) :	2,160.01	2,849.49	Price Earnings Ratio :	-4.99:1	10.62:1	Market Quotations:	20.05	26.45
	<b>2014-15</b>	<b>2013-14</b>												
Market Capitalisation (₹ in lacs) :	2,160.01	2,849.49												
Price Earnings Ratio :	-4.99:1	10.62:1												
Market Quotations:	20.05	26.45												
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Salary increase of non-managerial employees is 8.44% Average Salary increase of managerial employees is 9.01%												
(ix)	Comparison of the remuneration of each Key Managerial Personnel against the performance of the Company;	Same as in above (vi) above												
(x)	The key parameters for any variable component of remuneration availed by the Directors;	Directors are remunerated based on meetings attended. Managing Director's variable component is directly linked to the financial performance of the Company.												
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	No employee received remuneration higher than the highest paid Director.												
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31st March, 2015 is as per the "Nomination and Remuneration Policy" of the Company.												

## Report on Corporate Governance

### 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:

### BOARD OF DIRECTORS

#### Composition of the Board

The Board comprises such number of Non-Executive, Executive and Independent Directors as required under applicable legislation. As on date of this Report, the Board consists of nine Directors comprising one Non-Executive Chairman, seven Independent Directors and one Executive Director. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

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 and the Directorship, Chairmanship and/or Membership of Committees held as on 31st March, 2015 by each Director in other Companies are as under :

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
Mr. R. V. Kanoria	Director	Non-Executive Chairman/ Promoter	5	Yes	5100	7	6	1
Mr. A. C. Mukherji	Director	Non-Executive Independent	5	Yes	-	3	2	2
Mr. J. K. Bhagat	Director	Non-Executive Independent	5	Yes	-	6	4	-
Mr. I. P. Poddar	Director	Non-Executive Independent	5	Yes	-	1	-	-
Mr. B. Choudhuri	Director	Non-Executive Independent	5	Yes	-	6	4	5
Mr. L. G. Toolsidass	Director	Non-Executive Independent	5	Yes	-	1	-	-
Mr. Satish Kapur	Director	Non-Executive Independent	5	Yes	1000	5	2	-
*Ms. Nayantara Palchoudhuri	Additional Director	Non-Executive Independent	2	No	-	6	-	-
**Ms. Ajay Todi	Managing Director	Executive	3	Yes	500	-	-	-

\*Ms. Nayantara Palchoudhuri is appointed as woman director on the Board by circular board resolution dated 24th September, 2014.

\*\*Mr. Ajay Todi is appointed as the Managing Director of the Company w.e.f 1st July, 2014 for a period of five years. However he attended the meeting of 9th May, 2014 and 1st July, 2014 as CEO of the Company.



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## Report on Corporate Governance

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The number of directorships is reckoned by excluding directorships in Private Limited Companies, Foreign Companies, alternate directorships and Companies under Section 8 of the Companies Act, 2013.

In case of committees, only two committees, viz. the Audit Committee and the Stakeholder's Grievance Committee are considered.

None of the Directors are members of more than ten committees or chairman of more than five committees in Public Limited Companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their directorship and have been taken on record by the Board.

### Board Meetings

The Company holds a minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. The dates of the Board meetings are fixed after taking into account the convenience of all the Directors. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors.

Detailed agenda notes are sent a week prior to the date of the meeting. All the information required for decision making are incorporated in the agenda. The Non-Executive Chairman and the Managing Director appraise the Board on the overall performance of the Company at every board meeting. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

The Board also takes on record the declaration made by the Company Secretary, Managing Director regarding compliances of all laws on a quarterly basis.

During the financial year ended 31st March, 2015, five Board Meetings were held on 9th May, 2014, 1st July, 2014, 29th July, 2014, 6th November, 2014 and 28th January, 2015. The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days.

### Board Committees

The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review.

The Board has currently established the following Committees.

#### Audit Committee :

- i) As on 31st March, 2015 the Committee comprised of four Independent Directors all of whom are financially literate and have relevant finance exposure.
- ii) The Committee comprises of Mr. A.C. Mukherji as the Chairman and includes Mr. B. Choudhuri, Mr. I.P. Poddar and Mr. L.G. Toolsidass as its members. The meetings of Audit Committee are also attended by the Managing Director, Chief Financial Officer, and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board.
- iii) The Audit Committee met four times during the financial year ended 31st March, 2015 on 9th May, 2014, 29th July, 2014, 6th November, 2014 and 28th January, 2015.

## Report on Corporate Governance

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) Terms of Reference

The role and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and as specified under clause 49 of the Listing Agreement. The role of the Audit Committee includes the following :

- Overseeing Company's financial reporting process and examination of the financial statement and the auditors' report thereon;
- Recommending the terms of appointment of the statutory and cost auditors of the Company along with proposed remuneration;
- Reviewing with management the quarterly and annual financial results before submission to the Board;
- Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit;
- Examining the findings of the Internal Auditors and to discuss these periodically with the Company's officials relating to internal control procedures;
- Reviewing the compliances with Listing Agreement and other legal requirements relating to financial statements;
- Reviewing the Company's Financial and Risk Management Policies;
- Disclosure of transactions of the Company with related parties;
- Reviewing the accounting policies and adoption of applicable Accounting Standards;
- Reviewing compliances as regards the Company's Whistle Blower Policy.

#### Nomination and Remuneration Committee :

- During the year as per the provisions of Section 178 of the Companies Act, 2013 the nomenclature of the 'Remuneration Committee' has been changed to Nomination and Remuneration Committee w.e.f 9th May, 2014. The Committee comprises of Mr. B. Choudhuri as the Chairman and includes Mr. L. G Toolsidass and Mr. I.P. Poddar as its members.
- The Committee met three times during the financial year ended 31st March, 2015 on 9th May, 2014, 1st July, 2014 and 26th December, 2014.

The attendance of each Committee Member is as under :

Name of Member	Status	No. of meetings attended
Mr. B. Choudhuri	Chairman	2
Mr. L. G. Toolsidass	Member	3
Mr. I. P. Poddar	Member	3

#### iii) Terms and Reference

The role and terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and as specified under clause 49 of the Listing Agreement. The role of the committee includes the following :

- Identify persons who are qualified to become Directors;
- Identify persons who may be appointed as Key Managerial Personnel and in senior management positions;



## Report on Corporate Governance

- Recommend to the Board for re-appointment of Directors based on performance evaluation of the retiring Director;
- Formulating a remuneration policy of the Company;
- To propose remuneration packages for the Directors and Key Managerial Personnel including senior management at one level below the Board;
- Recommending re-constitution of the Board or senior management as may be required from time to time under the prevailing laws and for operational effectiveness of the Company.

### Mechanism for evaluation of Non-Executive Directors

The role of Non-Executive Directors of the Company is extremely important. The peer group, comprising the entire Board, except the Director being evaluated, evaluates his/her performance. On basis of such an evaluation, it is decided as to whether his/her appointment should be extended or not.

### Remuneration Policy :

The remuneration payable to the Executive Directors is determined by the Board on the recommendation of the Nomination and Remuneration Committee. This is subject to the approval of the shareholders at the Annual General Meeting. The Non-Executive Directors do not draw any remuneration from the Company except sitting fees for attending the meeting of the Board and the Committee.

Details of remuneration of Executive Director for the year ended 31st March, 2015

(Amount in ₹)

Name of the Directors	Salary	Commission	Contribution to Provident Fund	Value of other perquisites	Gratuity	Leave Encashment	Tenure of appointment
Mr. S. S. Kanoria	11,80,645	–	1,18,065	–	12,11,538	9,00,000	3 years (from 1.10.2013 to 30.09.2016)
Mr. J. P. Sonthalia	4,68,387	–	46,839	2,34,195	–	9,07,500	3 years (from 17.08.2011 to 16.08.2014)
Mr. B. M. Thakkar	2,82,863	–	28,286	1,41,431	15,14,423	5,62,500	3 years (from 09.05.2014 to 08.05.2017)
Mr. Ajay Todi	21,15,000	–	2,11,500	17,97,750	–	–	5 years (from 01.07.2014 to 30.06.2019)

### Notes :

- Mr. S. S. Kanoria resigned from the Executive Chairmanship of the Company w.e.f 29.07.2014.
- Mr. J. P. Sonthalia resigned from the Managing Directorship of the Company w.e.f 09.05.2014.
- Mr. B. M. Thakkar resigned from the Managing Directorship of the Company w.e.f 23.06.2014.
- Mr. Ajay Todi was appointed as Managing Director of the Company w.e.f 1st July, 2014 for a period of five years.
- All appointments and terms of remuneration are being considered by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the approval of the members of the Company.
- The Company does not have any scheme for grant of stock options to its Directors or Employees.
- For termination of Agreement, the Company or the Executive Director is required to give a notice of three months or three months' salary in lieu thereof.

## Report on Corporate Governance

Details of the sitting fees paid to Non-Executive Director for the year ended 31.03.2015 is given below :

Name of the Directors	Sitting Fees (₹)	Salary (₹)	Commission (₹)	Service Contract	Notice Period	Stock Options
Mr. R. V. Kanoria	50,000	–	–	N.A.	N.A.	N.A.
Mr. J.K. Bhagat	77,500	–	–	N.A.	N.A.	N.A.
Mr. A.C. Mukherji	70,000	–	–	N.A.	N.A.	N.A.
Mr. I. P. Poddar	1,02,500	–	–	N.A.	N.A.	N.A.
Mr. B. Choudhuri	80,000	–	–	N.A.	N.A.	N.A.
Mr. L. G. Toolsidass	1,00,000	–	–	N.A.	N.A.	N.A.
Mr. Satish Kapur	50,000	–	–	N.A.	N.A.	N.A.
Ms. Nayantara Palchoudhuri	20,000	–	–	N.A.	N.A.	N.A.

### Stakeholders' Relationship Committee :

- During the year as per the provisions of Section 178 of the Companies Act, 2013 the nomenclature of the 'Share Transfer and Shareholders' Grievance Committee' has been changed to Stakeholders' Relationship Committee w.e.f 9th May, 2014. The Committee comprises of Mr. J.K. Bhagat as the Chairman and includes Mr. L. G Toolsidass, Mr. I.P. Poddar and Mr. Ajay Todi as its members. The Committee meets atleast once in a month.
- The Committee looks into redressal of shareholder's complaints like transfer and transmissions of shares, issue of duplicate shares certificate, demat and remat of shares, redressal of shareholders/ investors grievances.
- Ms. Puja Guin, Company Secretary is the Compliance Officer of the Company.
- In the beginning of the year, there were no outstanding complaints, the total number of complaints received during the year under review was 12 and all were addressed and replied to the satisfaction of shareholders. Outstanding complaints as on 31st March, 2015 was nil.

### Corporate Social Responsibility Committee :

- As per the provisions of Section 135 of the Companies Act, 2013 the Corporate Social Responsibility Committee has been constituted by the Board of Directors on 29th July, 2014. The Committee comprises of Mr. J. K. Bhagat as the Chairman and includes Mr. R.V. Kanoria and Mr. Ajay Todi as its members.
- The Committee's constitution, terms of reference and role are in compliance with the provisions of the Companies Act, 2013.
- The CSR Committee met two times during the financial year ended 31st March, 2015 on 6th November, 2014 and 28th January, 2015.

### Risk Management Committee :

- Risk Management Committee has been constituted by the Board of Directors w.e.f 6th November, 2014 as per clause 49 of the Listing Agreement. The Committee comprises of Mr. L. G. Toolsidass as the Chairman and includes Mr. Ajay Todi and Mr. R.K. Gupta as its members.

The Company has a comprehensive enterprise Risk Management Policy at work which is reviewed periodically by the management.

### Independent Director's Meeting

As per Clause 49 of the Listing Agreement, the Independent Directors held a meeting on 28th January, 2015 without the presence of Executive Director and Management representatives.

### Familiarisation programme for Independent Directors

At Ludlow, all Members of the Board of the Company are experienced professionals and are well acquainted with the Industry. The Board Members shared necessary documents, reports amongst others to enable and familiarise them with the Company's operations and the Industry at large. It is therefore reasonable on the part of the Company to think that there is no need for any formal training for such professionals. Nevertheless, in respect of Executive Directors, the Company





## Report on Corporate Governance

arranges for training in the field of risk management w.r.t. the Company's business, in order to enable them to discharge their responsibilities more competently as Directors and the relevant statutory changes/cases are circulated to them from time to time to understand their true impact.

### Details of Shareholding of Director as on 31st March, 2015

The Director who hold Equity Shares of the Company as on 31st March, 2015 are Mr. R.V. Kanoria (5100 shares), Mr. Ajay Todi (500 shares), Mr. Satish Kapur (1000 shares). The other Directors do not hold any shares in the Company.

### WHISTLE BLOWER POLICY

The Company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors/Employees who avail of the mechanism.

### CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

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 website of the Company, [www.ludlowjute.com](http://www.ludlowjute.com).

### SUBSIDIARY COMPANIES

The Company has no material non-listed Indian Subsidiary Company. The financial statements and investments made, if any, by Subsidiary Company(s), are reviewed by Board of Directors. The minutes of the Board Meeting of the Subsidiary Companies are placed at the Board Meeting of the Company.

### 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
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
35th AGM	Friday, 5th September, 2014 at 3.00 P.M	Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700020

### Notes :

- (i) Special Resolution(s) were passed by the members of the Company in the 33rd, 34th and 35th Annual General Meeting :

#### Annual General Meeting held on 7th August, 2012

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

#### Annual General Meeting held on 12th August, 2013

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

#### Annual General Meeting held on 5th September, 2014

- ▶ Appointment & remuneration of Mr. Ajay Todi as Managing Director of the Company.
- ▶ Appointment of Mr. S. S. Kanoria as Chairman Emeritus of the Company at a perquisites not exceeding ₹ 12,00,000 (Rupees twelve lakh only) per annum.
- ▶ Consent under section 180 (1) (c) of the Companies Act, 2013 for a borrowing not exceeding ₹ 60,00,00,000 (Rupees sixty crores only).
- ▶ Consent under section 180(1) (a) of the Companies Act, 2013.

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## Report on Corporate Governance

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No Special Resolution was passed during the financial year ended 31.03.2015 through postal ballot. At present, there is no proposal for passing of any Special Resolution through postal ballot.

### DISCLOSURES

i) Related Party Transaction: The Company has taken loan of ₹ 10,00,00,000. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.

The Company has also formulated a policy for determining the material Related Party Transactions and the details of such policies disseminated in the website of the Company [www.ludlowjute.com](http://www.ludlowjute.com).

ii) 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.

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.

### 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 [www.ludlowjute.com](http://www.ludlowjute.com) wherein the quarterly/ half-yearly/ yearly results are displayed.

The financial results are normally published in Business Standard and Ek Din.

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

### GENERAL SHAREHOLDERS INFORMATION

#### 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](mailto:info@ludlowjute.com)/[investors.grievance@ludlowjute.com](mailto:investors.grievance@ludlowjute.com)  
Website: [www.ludlowjute.com](http://www.ludlowjute.com)

#### Annual General Meeting

Date : 01.09.2015

Day : Tuesday

Time : 3:00 P.M.

Venue: Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020

#### Financial Year

Financial Year : 1st April, 2014 to 31st March, 2015

Date of Book Closure : 25/08/2015 to 01/09/2015 (both days inclusive)

Dividend Payment Date : On or after 01.09.2015 (within the statutory period of 30 days), subject to Shareholders' approval.



## Report on Corporate Governance

### 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

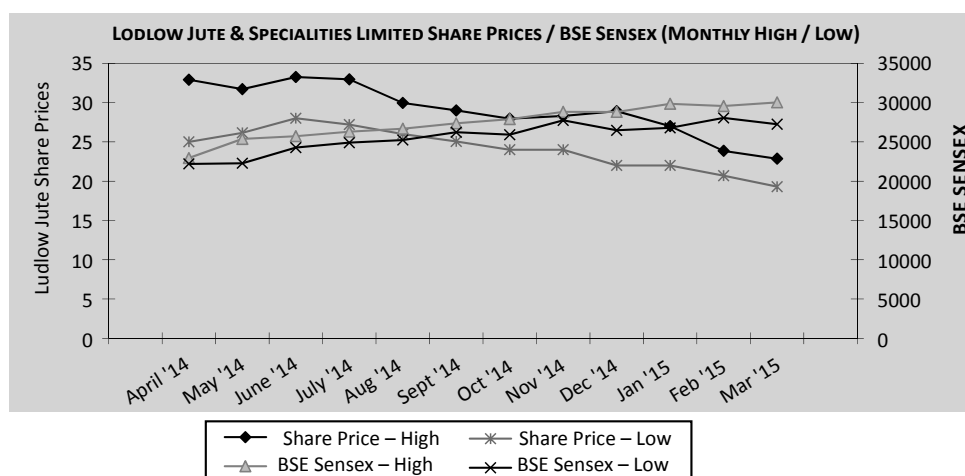
The Company has paid listing fees for the financial year 2015-16 to the Bombay Stock Exchange Limited, where securities of the Company are listed.

### Market Price Data

The details of monthly high/low market price of the shares at Bombay Stock Exchange Limited during each month of 2014-15 are given hereunder :

Month	Quotation of Bombay Stock Exchange (in ₹)	
	HIGH	LOW
Apr-2014	32.90	25.00
May-2014	31.70	26.15
June-2014	33.25	28.00
July-2014	32.95	27.20
Aug-2014	29.95	26.00
Sep-2014	29.00	25.05
Oct-2014	27.95	24.00
Nov-2014	28.30	24.00
Dec-2014	28.90	22.00
Jan-2015	27.00	22.00
Feb-2015	23.85	20.70
Mar-2015	22.85	19.30

### Stock Performance in Comparison to broad based indices



## Report on Corporate Governance

### 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

### 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.

### Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2015 is given below :

No. of Shares (Range defined)	No. of Equity Shares held	No. of Shareholders	Percentage of Shareholding (%)
1 - 500	1340981	9277	12.45
501 - 1000	342538	417	3.18
1001 - 2000	231572	153	2.15
2001 - 3000	171043	67	1.59
3001 - 4000	61569	17	0.57
4001 - 5000	79173	17	0.73
5001 - 10000	224121	31	2.08
10001 - 50000	603387	31	5.60
50001 - 100000	175313	3	1.63
And above	7543423	3	70.02
	<b>10773120</b>	<b>10016</b>	<b>100.00</b>

### Shareholding Pattern as on 31st March 2015

	Category	No. of Shares	% of Shareholding
	<b>Promoters Holding</b>		
a)	Indian Promoters	7239208	67.1969
b)	Foreign Promoters	-	-
	<b>Sub Total "A"</b>	<b>7239208</b>	<b>67.1969</b>
	<b>Non-Promoters Holding</b>		
a)	Banks, Financial Institutions/ Insurance Companies	600	0.0056
b)	Private Corporate Bodies	249427	2.3153
c)	Resident Individuals	3245189	30.123
d)	NRI/ OCB	38686	0.3591
e)	Trust & Foundations	10	0.0001
	<b>Sub Total "B"</b>	<b>3533912</b>	<b>32.8031</b>
	<b>Grand Total : "A+B"</b>	<b>10773120</b>	<b>100</b>



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## Report on Corporate Governance

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### Dematerialisation of Shares

90.39 % i.e. 9737261 Equity Shares of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31.03.2015.

### Plant Location

Chengail, Howrah -711 308

Phone : (033) 2642-8366/8820/9821

Fax : (033) 2642-8367

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

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](mailto:investors.grievance@ludlowjute.com)

### 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.

### POSTAL BALLOT

The Company has not conducted any business through Postal Ballot during the financial year. Further it has not proposed to conduct any business through Postal Ballot till date.

### MANDATORY AND NON-MANDATORY REQUIREMENTS

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.

### 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 2014-15.

Place : Kolkata

Date : 12th May, 2015

**Ajay Todi**

*Managing Director*

## 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

12 May, 2015

Pursuant to the provisions of Clause 49(V) of the Listing Agreement, we, Ajay Todi, 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 2014-15 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

**Ajay Todi**  
*Managing Director*

For Ludlow Jute & Specialities Limited

**R. K. Gupta**  
*CFO*





## 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, 2015 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 by the the Management, we state that to the best of our knowledge and belief, the Company has complied in all material aspects 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.

1-B, Old Post Office Street,  
Kolkata  
Dated, the 12th day of May, 2015

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

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## Independent Auditors' Report

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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 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its loss and its 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, 2015 ("the Order"), issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

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## Independent Auditors' Report

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2. As required by Section 143 (3) of the Act, we report that :
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements - refer note 2.27(d) and 2.27(e) to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

1-B, Old Post Office Street,  
Kolkata  
Dated, the 12th day of May, 2015

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

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## Independent Auditors' Report

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### Annexure referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

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

- (i) (a) The Company has maintained full records showing particulars, including quantitative details and situation of fixed assets;
- (b) The management has physically verified fixed assets at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
- (ii) (a) As explained to us inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and based on management representation, 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 physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, during the year, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory & fixed assets and for the sale of goods.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from Public under the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence the relevant para is not applicable to the Company.
- (vi) We have broadly reviewed the books of Accounts maintained by the Company in respect of its product as prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not carried out a detailed examination of such accounts & records.
- (vii) According to the information and explanations given to us in respect of Statutory and other dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, wherever applicable, with the appropriate authorities during the year. No amount of statutory dues is outstanding as on 31.03.2015 for a period of more than 6 months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of excise duty, and sales tax have not been deposited by the Company on account of disputes :

## Independent Auditors' Report

(₹ 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	25,36	11,20	1999 -00 and 2004-05	WBCT(A & R) Board
	b) Sales Tax	11,04,95	–	2005-06 to 2010-11	SR/Add. Joint Commissioner, CD And WBCT (A & R) Board
<b>Total</b>		<b>11,48,54</b>	<b>14,20</b>		

(c) As per the information and explanations given to us no amount is required to be transferred to investor education and protection fund as required by the relevant provisions of the Companies Act, 2013 and rules made there under as on 31.03.2015.

- (viii) The Company does not have any accumulated losses at the end of the financial year. The company has incurred cash losses in the current financial year however it has not incurred cash loss in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to financial institutions or banks. There were no debentures outstanding during the year.
- (x) 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.
- (xi) According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) 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.

1-B, Old Post Office Street,  
Kolkata  
Dated, the 12th day of May, 2015

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

## Balance Sheet as at 31st March, 2015

(₹ in 000)

	Note No.	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	107,977	107,977
Reserves and Surplus	2.2	251,801	318,381
		<b>359,778</b>	<b>426,358</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	2.3	43,492	50,031
Deferred Tax Liabilities (Net)	2.4	5,755	34,211
Other Long-Term Liabilities	2.5	1,632	1,632
Long-Term Provisions	2.6	11,241	11,639
		<b>62,120</b>	<b>97,513</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	2.7	175,934	30,732
Trade Payables	2.8	404,042	202,206
Other Current Liabilities	2.9	87,239	168,445
Short-Term Provisions	2.6	67,459	56,378
		<b>734,674</b>	<b>457,761</b>
<b>Total</b>		<b>1,156,572</b>	<b>981,632</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	2.10	303,264	376,954
Intangible Assets	2.10	(1)	(1)
Capital Work-In-Progress		3,283	3,775
		<b>306,547</b>	<b>380,729</b>
Non-Current Investments	2.11	11,560	11,560
Long-Term Loans and Advances	2.12	7,115	7,607
Other Non-Current Assets	2.13	-	14,320
		<b>325,222</b>	<b>414,216</b>
<b>Current Assets</b>			
Inventories	2.14	608,325	391,765
Trade Receivables	2.15	171,628	143,526
Cash and Bank Balances	2.16	22,620	10,731
Short-Term Loans and Advances	2.12	17,224	13,278
Other Current Assets	2.13	11,553	8,116
		<b>831,350</b>	<b>567,416</b>
<b>Total</b>		<b>1,156,572</b>	<b>981,632</b>
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

1B, Old Post Office Street

Kolkata - 700 001

Dated : 12th day of May, 2015

**Puja Guin**  
Company Secretary

**R. K. Gupta**  
Chief Financial Officer

**Ajay Todi**  
Managing Director  
DIN - 00004380

**R. V. Kanoria**  
Non-Executive Chairman  
DIN - 00003792

## Statement of Profit & Loss for the year ended 31st March, 2015

(₹ in 000)

	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Revenue from Operations (Gross)	2.17	2,343,818	2,783,267
Less: Jute Manufacturing Cess		23,130	27,620
Revenue from Operations (Net)		<b>2,320,688</b>	<b>2,755,647</b>
Other Income	2.18	10,720	7,030
<b>Total Revenue</b>		<b>2,331,408</b>	<b>2,762,677</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.19	1,319,796	1,544,049
(Increase) / Decrease in Inventories of Finished Goods and Work-in-Progress	2.20	(38,729)	(79,174)
Employee Benefits Expense	2.21	706,758	764,116
Finance Costs	2.22	42,607	18,992
Other Expenses	2.23	389,416	426,724
		<b>2,419,848</b>	<b>2,674,707</b>
<b>Profit before Tax, Depreciation and Amortisation</b>		(88,440)	87,970
Depreciation and Amortisation Expense	2.24	71,275	46,341
<b>Profit/(Loss) before Tax &amp; Exceptional items</b>		<b>(159,715)</b>	<b>41,629</b>
(Add)/Less : Exceptional Items	2.25	( 93,130)	-
		<b>(66,585)</b>	<b>41,629</b>
<b>Tax Expense:</b>	2.26		
Current Tax		4,247	12,500
Deferred Tax		(25,497)	7,066
Income Tax provision relating to earlier year written back		(1,880)	(4,786)
<b>Profit/(Loss) for the year</b>		<b>(43,455)</b>	<b>26,849</b>
Earnings Per Share [Face 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 ₹ )		(4.02)	2.49
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**M. L. Shukla**

Partner

Membership No. 051505

1B, Old Post Office Street

Kolkata - 700 001

Dated : 12th day of May, 2015

For and on behalf of the Board

**Puja Guin**  
Company Secretary

**R. K. Gupta**  
Chief Financial Officer

**Ajay Todi**  
Managing Director  
DIN - 00004380

**R. V. Kanoria**  
Non-Executive Chairman  
DIN - 00003792

## Cash Flow Statement for the year ended 31st March, 2015

(₹ in 000)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	(66,585)	41,629
<b>Adjustments for :</b>		
Depreciation & Amortisation	71,275	46,341
(Profit)/Loss on sale of Fixed Assets (Net)	(13)	(5,893)
Excess Depreciation written back	(59)	
Interest received from Banks & Others	(633)	(184)
Finance Costs	42,607	18,992
Excess Liabilities and unclaimed balances written back (Net)	(103,137)	(945)
Provision for Bad and Doubtful Debts	24,391	
Dividend received on Non current Investments	(8)	(8)
Unrealised Loss/ (Gain) on Foreign Exchange	(16)	61
	<b>(32,178)</b>	<b>99,993</b>
<b>Operating Profit before Working Capital changes</b>		
<b>Adjustments for :</b>		
(Increase)/Decrease in Trade & Other Receivables	(45,404)	(20,907)
(Increase)/Decrease in Inventories	(216,560)	(20,915)
Increase/(Decrease) in Trade Payables & Other Liabilities	222,974	66,030
Provision for Employee Benefits	21,287	(8,649)
<b>Cash generated from operations</b>	<b>(49,881)</b>	<b>115,552</b>
Direct Taxes Paid	(38)	(13,004)
<b>Net Cash from Operating Activities</b>	<b>(49,919)</b>	<b>102,548</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible & Intangible Assets including CWIP	(18,025)	(69,788)
Sale of Tangible Assets	1,405	8,480
Amount deposited as Margin money/Security	(2,484)	(3,416)
Interest received from Banks	478	184
Dividend received on Non current Investments	8	8
<b>Net Cash used in Investing Activities</b>	<b>(18,618)</b>	<b>(64,532)</b>



## Cash Flow Statement for the year ended 31st March, 2015

(₹ in 000)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Repayments)/Proceeds from Borrowings	138,663		9,866	
Finance Costs	(42,608)		(19,112)	
Dividend Paid	(16,159)		(26,932)	
Corporate Dividend Tax Paid	(2,746)		(4,577)	
<b>Net Cash used in Financing Activities</b>		<b>77,150</b>		<b>(40,755)</b>
Net Increase in Cash and Cash Equivalents		8,613		(2,739)
Cash and Cash Equivalents (Opening Balance)		2,673		5,412
<b>Cash and Cash Equivalents (Closing Balance)</b>		<b>11,286</b>		<b>2,673</b>

### Notes:

- Above statement has been prepared in indirect method.
- Figures for the previous years have been re-grouped wherever considered necessary.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

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

1B, Old Post Office Street

Kolkata - 700 001

Dated : 12th day of May, 2015

**Puja Guin**

Company Secretary

**R. K. Gupta**

Chief Financial Officer

**Ajay Todi**

Managing Director

DIN - 00004380

**R. V. Kanoria**

Non-Executive Chairman

DIN - 00003792

## Notes to Financial Statements as at and for the year ended 31st March, 2015

(₹ in 000)

Notes	1	SIGNIFICANT ACCOUNTING POLICIES
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### 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 prescribed u/s 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements has been prepared and presented as per the requirement of Schedule III as notified under The Companies Act, 2013.

#### B. Use of Estimates

The preparation of financial statements require judgements, 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 Fixed 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 Fixed 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 Tangible Fixed Assets has been provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed in Schedule II to The Companies Act, 2013 . 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) Depreciation for assets purchased/sold during the year is proportionately charged.
- d) 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 exists or have decreased.

#### G. Investments

- a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The portion of long term investments expected to be realized within 12 months after reporting date are disclosed under current investments as per the requirement of Schedule III to The Companies Act, 2013.

- b) 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.

## Notes to Financial Statements

(₹ in 000)

- c) Current Investments other than the portion of long term investments disclosed under current investments are stated at lower of cost or 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.

### 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 expenses in the period in which they arise.
- ii) In respect of transactions covered by forward/future contract (except for firm commitments and highly probable forecast transactions), the premium or discount arising at the inception of forward/future contracts entered into to hedge an existing asset/liability, is amortized over the life of the contract. Exchange differences on such contracts 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/future 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 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 expenses as and when it accrues.
- ii) Employee benefits of long term nature are recognized as expenses based on actuarial valuation using projected unit credit method.
- iii) Post employment benefits :
- In the nature of Defined Contribution Plans are recognized as expenses as and when it accrues.
  - In the nature of Defined Benefit Plans in respect of employees on roll, recognized as expenses based on actuarial valuation using projected unit credit method.
- iv) Actuarial gains and losses are recognized immediately in the Profit and Loss account as income and expenses.

### 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. The Deferred Tax charge or credit is recognised using substantively enacted tax rates, subject to the consideration of prudence, on timing differences between book profits and tax

## Notes to Financial Statements

profits. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realized.

### 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 operative income or reduced from respective expenses.

### O. Provisions

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.

### P. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(₹ in 000)

Note	2.1	SHARE CAPITAL	As at March 31, 2015	As at March 31, 2014
<b>Authorised</b>				
		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
			<b>150,000</b>	<b>150,000</b>
<b>Issued</b>				
		1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹10/- each	<b>107,731</b>	<b>107,731</b>
<b>Subscribed and Paid-up</b>				
		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)		
			<b>107,977</b>	<b>107,977</b>

- There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- 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.
- R.V. Investment & Dealers Limited is the Holding Company of this Company.
- 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 - 62.345)	6,716,507	6,716,507

- 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.
- 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.
- No securities which are convertible into Equity/Preference shares have been issued by the Company during the year.
- 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, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.2 RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>			
As per the last Financial Statements		1,054	1,054
<b>Security Premium</b>			
As per the last Financial Statements		58,595	58,595
<b>Revaluation Reserve</b>			
As per the last Financial Statements		6,971	15,190
Add : Transfer from Surplus being excess adjustment of Revaluation Reserve on Land in earlier year		3,509	-
		10,480	15,190
Less : Transfer to Note No.2.10 being difference of depreciation on revalued cost of assets and that on the original cost		10,480	8,219
		-	6,971
<b>General Reserve</b>			
As per the last Financial Statements		29,663	28,322
Add : Transferred from Surplus		-	1,341
		29,663	29,663
<b>Surplus</b>			
As per the last Financial Statements		222,098	215,495
Depreciation relating to earlier year as per Schedule II		(9,120)	-
Impact of Deferred Tax on depreciation relating to earlier year as per Schedule II		2,959	-
Adjustment of revalued portion of land relating to earlier year		(3,509)	-
		212,428	215,495
Add/(Less) : Profit/(Loss) for the year		(43,455)	26,849
		168,973	242,344
<b>Less : Appropriations</b>			
Proposed Dividend		5,387	16,159
Corporate Dividend Tax on Proposed Dividend		1,097	2,746
General Reserve		-	1,341
		6,484	20,246
		162,489	222,098
<b>Net Surplus</b>		251,801	318,381

		Non-current portion		Current Maturities	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.3 LONG-TERM BORROWINGS</b>				
<b>Term Loans (Secured)</b>					
Rupee Loan from Bank		43,492	50,031	18,951	9,930
		43,492	50,031	18,951	9,930
Amount disclosed under the head "Other Current Liability" (Note 2.9)		-	-	18,951	9,930
		43,492	50,031	-	-

- a) Rupee Term Loan from Bank is repayable in 10 semi-annual installments for ₹ 14,600/- between March 2012 to September 2016, for ₹ 15,000/- between September 2013 to March 2018 and in 9 semi - annual installments for ₹ 40,541/- from April 2015 to April 2019, for ₹ 14,821/- between January 2013 to January 2017. The primary security against such asset is hypothecation of machineries purchased under the Term Loan.

## Notes to Financial Statements

(₹ in 000)

		As at March 31, 2015		As at March 31, 2014	
<b>Notes</b>	<b>2.4</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>			
<b>Deferred Tax Liabilities</b>					
Arising on account of :					
Depreciation					
			36,369		49,755
Less: Deferred Tax Assets					
Arising on account of :					
Section 43B of Income-Tax Act, 1961					
		30,583		15,514	
Others					
		31	30,614	30	15,544
			<b>5,755</b>		<b>34,211</b>

		As at March 31, 2015		As at March 31, 2014	
<b>Notes</b>	<b>2.5</b>	<b>OTHER LONG TERM LIABILITIES</b>			
<b>Other Liabilities</b>					
Trade and Security Deposits					
			1,583		1,583
Statutory Liability					
			49		49
			<b>1,632</b>		<b>1,632</b>

		Long Term		Short Term	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.6</b>	<b>PROVISIONS</b>			
Provision for Employee Benefits					
		11,241	11,639	56,800	35,115
Other Provisions					
Provisions for Taxation (Net of Payments)					
		-	-	4,175	2,357
Proposed Dividend					
		-	-	5,387	16,160
Corporate Dividend Tax					
		-	-	1,097	2,746
				<b>10,659</b>	<b>21,263</b>
		<b>11,241</b>	<b>11,639</b>	<b>67,459</b>	<b>56,378</b>

		As at March 31, 2015		As at March 31, 2014	
<b>Notes</b>	<b>2.7</b>	<b>SHORT TERM BORROWINGS</b>			
<b>Working Capital Borrowings</b>					
From Banks					
Rupee Loan from Bank (Secured)					
			80,605		23,636
Export Packing Credit in Rupees (Secured)					
			63,927		7,096
EEFC-Dollar Deposit in Foreign Currency (Secured)					
			1,402		-
			<b>145,934</b>		<b>30,732</b>
<b>Loan &amp; Advances from Related Parties</b>					
From Holding Company (Unsecured)					
			30,000		-
			<b>30,000</b>		<b>-</b>
			<b>175,934</b>		<b>30,732</b>

- 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 in Rupees and EEFC-Dollar deposit in Foreign Currency, are secured against hypothecation of stock of materials, semi-finished and finished goods.

## Notes to Financial Statements

(₹ in 000)

Notes	2.8	TRADE PAYABLES	As at March 31, 2015	As at March 31, 2014
		For Goods and Services	404,042	202,206
			<b>404,042</b>	<b>202,206</b>

Notes	2.9	OTHER CURRENT LIABILITIES	As at March 31, 2015	As at March 31, 2014
		Current maturities of Long Term Debt (See Note 2.3)	18,951	9,930
		Dues to Employees	36,168	132,464
		Unpaid and unclaimed dividends	5,434	4,642
		Statutory Dues	23,159	19,267
		Advances Received from Customers	2,372	1,663
		Others	1,155	479
			<b>87,239</b>	<b>168,445</b>

Notes	2.10	FIXED ASSETS												
		GROSS BLOCK				DEPRECIATION						NET BLOCK		
		Cost/Value as at 31st March, 2014	Additions during the Year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2015	Upto 31st March, 2014	Adjustments with retained earning	Provided during the year	Deductions/ Adjustments during the year	Depreciation for Addition on Revaluation during the year	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March 2014	
		<b>TANGIBLE ASSETS</b>												
		Freehold Land	15,415		10,481 **	4,934	-	-	-	-	-	4,934	15,415	
		Buildings	164,496	199	-	164,695	130,995	1,943	1,851	-	134,789	29,906	33,501	
		Plant & Machinery	799,595	17,669	2,052 *	815,212	495,323	6,135	63,858	57	565,259	249,953	304,272	
		Furniture & Fittings	4,784	215	-	4,999	3,639	(63)	159	-	3,735	1,264	1,145	
		Vehicles	43,557	1,892	3,220 *	42,229	24,436	321	4,481	1,756	27,482	14,747	19,121	
		Office Equipment	13,718	670	-	14,388	10,218	784	926	-	11,928	2,460	3,500	
		<b>Total</b>	<b>1,041,565</b>	<b>20,645</b>	<b>15,753</b>	<b>1,046,457</b>	<b>664,611</b>	<b>9,120</b>	<b>71,275</b>	<b>1,813</b>	<b>743,193</b>	<b>303,264</b>	<b>376,954</b>	
		<b>INTANGIBLE ASSETS</b>												
		Goodwill	(1)	-	-	(1)	-	-	-	-	-	(1)	(1)	
		<b>Total</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	
		<b>Grand Total :</b>	<b>1,041,565</b>	<b>20,645</b>	<b>15,753</b>	<b>1,046,457</b>	<b>664,611</b>	<b>9,120</b>	<b>71,275</b>	<b>1,813</b>	<b>743,193</b>	<b>303,264</b>	<b>376,954</b>	
		Previous Year :	982,524	73,180	14,139	1,041,565	621,604	-	46,341	11,553	8,219	664,611	376,954	

### 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 ₹ Nil as on 31.03.2015 (Previous Year ₹ 6,971).
- \* Includes subsidy received on Plant & Machinery & Vehicles amounting to ₹ 2,127, Previous Year ₹ Nil; capitalised in the earlier years.
- \*\* Includes reversal of revaluation reserve on land amounting to ₹ 10,481 (Previous Year ₹ Nil).
- Effective from 1st April 2014 the Company has charged depreciation based on the remaining useful life of the asset as per the requirement of Schedule II of The Companies Act, 2013. Due to above, depreciation for the year ended 31st March 2015 is higher by ₹ 23,980 (Previous Year ₹ Nil).
- Adjustments with retained earnings amounting to ₹ 9,120 relates to assets whose remaining useful life was Nil as on 01st April 2014 based on transitional provision of Schedule II of The Companies Act, 2013.

## Notes to Financial Statements

(₹ in 000)

Notes	2.11	INVESTMENTS				
<b>NON CURRENT INVESTMENTS</b>						
Face Value per Share/Debenture		Particulars	As at March 31, 2015		As at March 31, 2014	
	₹		No. of Shares / Debentures	Value	No. of Shares / Debentures	Value
<b>A</b>		<b>Trade Investment (Valued at Cost)</b>				
		<b>"Equity Shares in Subsidiary Company (Un-Quoted)"</b>				
	10	Ludlow Exports Ltd.	250000	2,500	250000	2,500
	10	Sijberia Industries Ltd.	562859	8,887	562859	8,887
		<b>Sub - Total</b>		<b>11,387</b>		<b>11,387</b>
<b>B</b>		<b>Non - Trade Investments</b>				
		<b>Investment in Equity Instruments :</b>				
		<b>Quoted - (Valued at cost less provision for other than temporary/diminution in the value of investment)</b>				
	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	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)
	10	Willard India Ltd. #	1200	44	1200	44
	10	Reliance Jute Mills (Int.) Ltd. @#	112	-	112	-
		Total of Quoted Equity Instrument - Balance Carried Over		<b>251</b>		<b>251</b>



## Notes to Financial Statements

(₹ in 000)

Notes	2.11	INVESTMENTS				
NON CURRENT INVESTMENTS			As at March 31, 2015		As at March 31, 2014	
Face Value per Share/Debenture	Particulars		No. of Shares / Debentures	Value	No. of Shares / Debentures	Value
₹						
	<b>Balance Brought Forward</b>			<b>251</b>		<b>251</b>
	<b>Less:</b> Provision for other than temporary diminution in the value of investments			83		83
	<b>Net Total (Quoted investment)</b>			<b>168</b>		<b>168</b>
	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 Alexandra 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)
	<b>Total of Unquoted Equity Instruments</b>			<b>11</b>		<b>11</b>
	<b>Less :</b> Provision for other than temporary diminution in the value of Investment			11		11
	<b>"Net Total (Un-Quoted Investment)"</b>			<b>-</b>		<b>-</b>
	<b>Investment on Government Securities</b>					
	<b>Unquoted -</b>					
	7 years National Saving Certificates (Deposited with Central Excise and Sales Tax Authorities), (Matured)			5		5
	<b>Total Government Securities</b>			<b>5</b>		<b>5</b>
	<b>Total Non - Current Investment</b>			<b>11,560</b>		<b>11,560</b>

## Notes to Financial Statements

(₹ in 000)

Notes	2.11	INVESTMENTS	As at March 31, 2015		As at March 31, 2014	
			Book Value (₹)	Market Value (₹)	Book Value (₹)	Market Value (₹)
<b>Aggregate Amount of :</b>						
		Quoted Investments	251	465	251	467
		Unquoted Investments	11,403	-	11,403	-
		Provision for other than temporary diminution in the value of investment	94		94	
			<b>11,560</b>	<b>465</b>	<b>11,560</b>	<b>467</b>

\* BIFR Companies

@ Shares in Reliance Jute Mills (Int.) Ltd. has been acquired as per scheme of Arrangement of Reliance Jute Ltd. with Reliance International Ltd.

# In absence of availability of quoted rates, market value of such shares have been considered at ₹ (1)/-.

Notes	2.12	LOANS & ADVANCES	Long Term		Short Term	
			As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Security Deposits</b>						
		Unsecured, considered good	1,701	1,704	-	-
			<b>1,701</b>	<b>1,704</b>	-	-
<b>Other Loans and Advances (Unsecured, considered good)</b>						
		Advance Tax and TDS (Net of provisions)	2,100	2,610	-	-
		Advance against supply of Goods and Services	-	-	4,279	2,508
		Prepaid Expenses	-	-	6,293	8,752
		Advance to Employees	-	-	6,155	1,532
		Interest Accrued but not due	-	-	154	-
		Balances with Government & Statutory Authorities	3,314	3,293	343	486
			<b>5,414</b>	<b>5,903</b>	<b>17,224</b>	<b>13,278</b>
			<b>7,115</b>	<b>7,607</b>	<b>17,224</b>	<b>13,278</b>
Notes	2.13	OTHER ASSETS	Non-Current		Current	
			As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
		Insurance Claim Receivable	14,320	14,320	-	-
		Less: Provision for Doubtful Claim Receivable	14,320	-	-	-
			-	<b>14,320</b>	-	-
		DEPB/FOCUS Licence Receivable	-	-	6,229	4,395
		Duty Draw Back Receivable	-	-	5,034	3,180
		Other Claims Receivable	-	-	210	145
		Receivable from Employees	-	-	80	396
			-	<b>14,320</b>	<b>11,553</b>	<b>8,116</b>

## Notes to Financial Statements

(₹ in 000)

Notes	2.14	INVENTORIES	As at March 31, 2015	As at March 31, 2014
(As valued and certified by the Management)				
Raw Materials			314,921	131,696
Work in Progress			23,053	28,100
Finished Goods (including in transit CY - ₹ 30,597 , PY-₹ 8,845)			249,992	206,217
Stores and Spares etc.			20,359	25,752
			<b>608,325</b>	<b>391,765</b>

	Finished Goods		Work-in-Progress	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>DETAILS OF INVENTORIES</b>				
Jute	249,992	206,217	23,053	28,100
	<b>249,992</b>	<b>206,217</b>	<b>23,053</b>	<b>28,100</b>

	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.15</b>	<b>TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months				
Unsecured, considered good				
	-	-	9,569	20,185
Doubtful				
	-	-	10,071	-
	-	-	<b>19,640</b>	<b>20,185</b>
Provision for doubtful receivables				
	-	-	10,071	-
	-	-	<b>9,569</b>	<b>20,185</b>
Other Receivables				
Unsecured, considered good				
	-	-	162,059	123,341
	-	-	<b>171,628</b>	<b>143,526</b>

Notes	2.16	CASH AND BANK BALANCES	As at March 31, 2015	As at March 31, 2014
<b>Cash and Cash Equivalent</b>				
Balances With Banks :				
In Current Account			2,287	150
In EEFC Account			7,807	1,104
Cash In hand (Incl Stamps) (As certified by the Management)			1,192	1,419
			<b>11,286</b>	<b>2,673</b>
<b>Other Bank Balances</b>				
In Unpaid Dividend Account			5,434	4,642
Balances with Bank held as margin money / security			5,900	3,416
			<b>11,334</b>	<b>8,058</b>
			<b>22,620</b>	<b>10,731</b>

## Notes to Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.17</b>	<b>REVENUE FROM OPERATIONS (GROSS)</b>		
Sale of Products (including Export Sales of CY ₹ 445,309; PY ₹ 431,323)			2,325,106	2,757,425
			<b>2,325,106</b>	<b>2,757,425</b>
<b>Other Operating Revenues</b>				
Export Benefits			18,481	13,916
Miscellaneous Sale			231	6,274
Insurance and Other Claims (Net)			-	5,652
			<b>18,712</b>	<b>25,842</b>
			<b>2,343,818</b>	<b>2,783,267</b>
<b>Details of Sale of Products</b>				
Jute Goods			2,325,106	2,757,425
			<b>2,325,106</b>	<b>2,757,425</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.18</b>	<b>OTHER INCOME</b>		
<b>Interest Income</b>				
On Bank Deposits			633	133
Others			-	51
<b>Dividend Income</b>				
On Long term investments			8	8
On Current investments			-	-
<b>Other Non Operating Income</b>				
Profit on sale of Fixed Assets			13	5,893
Excess Liabilities and Unclaimed Balances written back			10,007	945
Excess Depreciation written back			59	-
			<b>10,720</b>	<b>7,030</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.19</b>	<b>COST OF MATERIALS CONSUMED</b>		
<b>Raw Material Consumed</b>				
Opening Inventories			131,696	192,835
Add : Purchase			1,503,021	1,482,910
			<b>1,634,717</b>	<b>1,675,745</b>
Less: Closing Inventories			314,921	131,696
			<b>1,319,796</b>	<b>1,544,049</b>
<b>Details of Raw Material Consumed</b>				
Jute			1,319,796	1,544,049
			<b>1,319,796</b>	<b>1,544,049</b>

## Notes to Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.20</b>	<b>(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS</b>		
<b>Inventories at the beginning of the year</b>				
		Finished Goods	206,216	131,314
		Work-in-Progress	28,100	23,828
			<b>234,316</b>	<b>155,142</b>
<b>Inventories at the end of the year</b>				
		Finished Goods	249,992	206,216
		Work-in-Progress	23,053	28,100
			<b>273,045</b>	<b>234,316</b>
			<b>(38,729)</b>	<b>(79,174)</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.21</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
		Salaries & Wages	528,394	568,772
		Contribution to Provident Fund & Others	77,732	70,981
		Contribution to Gratuity Fund	23,865	40,204
		Staff Welfare Expenses	8,595	7,405
		Labour Charges (Manufacturing & Processing Exp)	68,172	76,754
			<b>706,758</b>	<b>764,116</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.22</b>	<b>FINANCE COSTS</b>		
<b>Interest Expenses</b>				
		To Banks on Term Loans	7,450	6,348
		" Banks on Working Capital Loans	18,322	5,089
		" Bill Discounting Charges/Retirement of Bills	5,965	5,067
		" Others	8,369	718
			<b>40,106</b>	<b>17,222</b>
<b>Other Borrowing Cost</b>				
		Other Financial Charges	2,501	1,770
			<b>42,607</b>	<b>18,992</b>

## Notes to Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
<b>Notes</b>	<b>2.23</b>	<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>				
Stores, Spare Parts & Packing Materials Consumed			108,740	125,038
Power & Fuel			140,361	149,540
Repairs to Buildings			7,672	11,482
Repairs to Machinery			13,453	19,426
Repairs to Other Assets			7,118	7,953
Increase/(Decrease) in Cess on Stocks			7	611
			<b>277,351</b>	<b>314,050</b>
<b>Selling and Administration Expenses</b>				
Brokerage & Commission on Sales			8,124	8,610
Transport & Forwarding Expenses			34,340	36,683
Rent			2,274	1,102
Insurance			10,143	8,552
Rates & Taxes			2,469	774
Legal & Professional Expenses			3,724	29,978
Travelling Expenses			1,535	487
Miscellaneous Expenses			23,836	18,358
Bad & Doubtful Provision			24,391	-
<b>Statutory Auditors -</b>				
Audit Fees			393	393
Limited Review			112	112
Issue of Certificates			146	57
<b>Cost Auditors -</b>				
Audit Fees			25	25
Net (Gain)/Loss on Foreign currency transaction and translation			3	7,128
Directors' Fees			550	415
			<b>112,065</b>	<b>112,674</b>
			<b>389,416</b>	<b>426,724</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.24</b>	<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
On Tangible Assets			71,275	54,560
Less: Transferred from Reserve on Revaluation			-	8,219
			<b>71,275</b>	<b>46,341</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.25</b>	<b>EXCEPTIONAL ITEMS</b>		
Liability no longer required written back			(93,130)	-
			<b>(93,130)</b>	<b>-</b>

## Notes to Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.26</b>	<b>TAX EXPENSE</b>		
		Current Tax for the year	4,247	12,500
		Less : Income Tax provisions relating to earlier years written back	(1,880)	(4,786)
			<b>2,367</b>	<b>7,714</b>
		Deferred Tax for the year	(25,497)	1,170
		Add : Deferred Tax related to earlier years	-	5,896
			<b>(25,497)</b>	<b>7,066</b>
			<b>(23,130)</b>	<b>14,780</b>

			As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.27</b>	<b>CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :</b>		
		a) Bills Discounted with Banks	70,469	53,892
		b) Other Disputed Claims (ESI)(Gross) (Advance paid ₹ Nil, Previous Year ₹ 1,873)	-	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
		(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 ₹ Nil Previous Year ₹ 300)	-	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 (Advance paid ₹ 1,120, Previous Year ₹ 1,120)	2,536	4,498
		ii) Disputed demand against Sales Tax for the year 2005-06 to 2010-11 for which Appeal is pending before SR. and AD. Joint commissioner (CD) and WBCT (A&R) Board.	1,10,495	1,35,960
		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.	12,700	11,546
		f) a) Outstanding Bank Guarantees	37,118	37,021
		b) Outstanding Letter of Credit	9,967	59,064

<b>Notes</b>	<b>2.28</b>			
		Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to ₹ Nil Previous Year ₹ Nil)	8,097	142

## Notes to Financial Statements

(₹ in 000)

**Notes 2.29**

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, 2015	For the Year ended 31st March, 2014
i) Employees Provident Fund	1,663	1,737
ii) Employees Pension Scheme	35,763	31,777

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, 2015 are as follows :

	Gratuity	
	2014-15	2013-14
Present Value of funded obligations	3,33,698	3,02,034
Fair value of Plan Assets	2,78,813	2,71,013
Liabilities in respect of funded obligation based on actuarial valuation basis	<b>54,885</b>	<b>31,021</b>

The amounts recognized in the statement of Profit and Loss for the year ended 31st March, 2015 are as follow :

	2014-15	2013-14
Current service cost	30,942	24,694
Interest cost on obligation	23,840	25,143
Expected Return on plan assets(-)	(-) 19,635	(-) 20,965
Expected Return on any reimbursement right recognized as an asset	-	-
Net actuarial losses/(gains) recognized during the year	(11,282)	11,332
Past service cost	-	-
Losses/(gains) on curtailments and settlements	-	-
Total included in 'Employee Benefit Expenses'	23,865	40,204

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

	2014-15	2013-14
Present value of defined benefit obligation at the beginning of the year	3,02,034	2,56,701
Employer Service Cost (+)	30,942	24,694
Interest Cost (+)	23,840	25,143
Curtailement Cost (+)	-	-
Settlement Cost (+)	-	-
Plan Amendments	-	-
Acquisitions	-	-
Actuarial Gains (-)/ Loss (+)	(-)4,681	(+)11,332
Benefit Paid (-)	(-)18,437	(-)15,886
Present value of Defined Benefit obligations at the end of the year	3,33,698	3,02,034



## 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	2014-15	2013-14
Fair value of Plan Assets at the beginning of the year	2,71,013	2,15,885
Acquisition adjustments		
Expected return on Plan Assets (+)	19,635	20,965
Actual Company Contribution (+)	–	50,000
Benefit Payments (-)	(18,437)	(15,886)
Appreciation / Depreciation of Plan Assets Actuarial Gain(+)/ Loss(-)	(+) 6,601	(+) 49
Fair Value of Plan Assets at the end of the year	2,78,812	2,71,013

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

	2014-15	2013-14
Qualifying insurance policy	100%	100%

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

	2014-15	2013-14
1 Mortality	LIC (2006-2008), ultimate table	LIC (2006-08), 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	7.5% p.a. being consistent with the yield on Long Term Govt. Bond	9% p.a. being consistent with the yield on Long Term Govt. Bond
5 Salary Increase	7 % p.a.	7% 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 ₹ 8,776 (previous year ₹ 8,844) is recognized as expense and included in “Employees Benefit Expenses”.

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

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

**2.32 a)** Outstanding forward exchange contracts booked for the purpose of hedging Receivables/firm commitment are USD 276, EURO 30 & Sterling Pound Nil (Previous year USD 115, EURO 41 and Sterling Pound Nil).

b) Unhedged foreign currency receivables USD 100, EURO 26 and Sterling Pound NIL (Previous Year USD 127, EURO 22 and Sterling Pound 21) and payables are USD NIL (Previous Year USD 249).

c) The marked to market loss amounting to ₹ 9 (Previous Year – ₹ Nil) has been accounted for. However, marked to market gain amounting to ₹ 156 (Previous Year ₹ 329) on Forward Exchange Contracts for firm commitments and highly probable forecast transaction has not been accounted for.

## Notes to Financial Statements

(₹ in 000)

**2.33** 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).

**2.34** 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 :

	2014-15	2013-14
Within India	18,79,797	23,26,102
Outside India	4,45,309	4,31,323
<b>Total</b>	<b>23,25,106</b>	<b>27,57,425</b>

**2.35** Value of Imported & Indigenous Raw Materials, Spare Parts consumed :

	Raw Materials				Spare Parts			
	For the year ended 31st March, 2015		For the year ended 31st March, 2014		For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	Total (₹)	(In %)	Total (₹)	(In %)	Total (₹)	(In %)	Total (₹)	(In %)
Imported	2,87,604	21.79	2,14,037	13.86	2,444	5.90	3,118	5.27
Indigenous	10,32,192	78.21	13,30,012	86.14	39,035	94.10	56,006	94.73
	<b>13,19,796</b>	<b>100.00</b>	<b>15,44,049</b>	<b>100.00</b>	<b>41,479</b>	<b>100.00</b>	<b>59,124</b>	<b>100.00</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Note</b>	<b>2.36</b>	<b>EXPENDITURE IN FOREIGN CURRENCIES (PAID / PROVIDED)</b>		
		Travelling	604	54
		Commission	493	371

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Note</b>	<b>2.37</b>	<b>C.I.F. VALUE OF IMPORTS</b>		
		Raw Materials	3,32,923	1,63,575
		Component & Spare Parts	741	3,118
		Capital Goods	7037	31,789

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Note</b>	<b>2.38</b>	<b>EARNINGS IN FOREIGN CURRENCY</b>		
		F.O.B. Value of Exports	4,36,844	4,13,009

### **Note 2.39 RELATED PARTY DISCLOSURES**

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

#### **A. Relationships**

- 1) Holding Company of the Company
  - a) R. V. Investments & Dealers Ltd

## Notes to Financial Statements

(₹ in 000)

Note	2.39	RELATED PARTY DISCLOSURES
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- 2) Subsidiary Company of the Company
- Ludlow Exports Ltd.
  - Sijberia Industries Ltd.
- 3) Enterprise (within Group)
- Kirtivardhan Finvest Services Ltd. – Company having significant influence on the Company.
  - R. V. Investments & Dealers Ltd. – Holding of Ludlow Jute & Specialities Limited.
- 4) Key Managerial Personnel (KMP)
- Sri S.S.Kanoria (Executive Chairman till 29th July 2014)
  - Sri J.P.Sonthalia ( Managing Director till 9th May 2014)
  - Sri B.M.Thakkar ( Managing Director from 9th May 2014 till 23rd June 2014)
  - Sri Ajay Todi (Managing Director from 1st July 2014)
  - Mrs. Puja Guin (Company Secretary)
  - Sri R K Gupta (C.F.O)

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

Particulars	Holding Co. & Enterprise having significant influence		Key Managerial Personnel		Subsidiary	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Loan taken	1,00,000	-	-	-	-	-
Loan repaid	70,000	-	-	-	-	-
Balance outstanding at year end	30,000	-	-	-	-	-
Interest paid	6,582	-	-	-	-	-
Remuneration paid to Executive Directors	-	-	11,721	10,331	-	-
Salary Paid to other than Executive Directors	-	-	4,088	1,347	-	-
Security Deposit to Subsidiary given	-	-	-	-	400	-
Security Deposit from Subsidiary refunded	-	-	-	-	400	-

**Note 2.40** Figures of less than Rupee 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 2.41** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**Note 2.42** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as on 31.03.2015.

**Note 2.43** 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  
1B, Old Post Office Street  
Kolkata - 700 001  
Dated : 12th day of May, 2015

For and on behalf of the Board

<b>Puja Guin</b> Company Secretary	<b>R. K. Gupta</b> Chief Financial Officer	<b>Ajay Todi</b> Managing Director DIN - 00004380	<b>R. V. Kanoria</b> Non-Executive Chairman DIN - 00003792
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## Independent Auditors' Report

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To the Members of  
**LUDLOW JUTE & SPECIALITIES LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of LUDLOW JUTE & SPECIALITIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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 the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## Independent Auditors' Report

### Other Matters

(a) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs. 240.52 lacs as at 31st March, 2015, total revenues of Rs. 16.95 lacs and net cash flows amounting to Rs. 9.53 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiary Companies, incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the Directors of the Group Companies, incorporated in India is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group - refer note 2.27(d) and 2.27(e) to the consolidated financial statements.
    - ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, incorporated in India.

For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No.302049E

**M. L. Shukla**  
Partner

Membership No. 051505

1-B, Old Post Office Street,  
Kolkata

Dated, the 12th day of May, 2015

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## Annexure to the Independent Auditors' Report

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The Annexure referred to in paragraph 1 with the heading "Report on other legal and regulatory requirement" of our report of even date. Based on the comments made by the Independent Auditors of the Subsidiaries incorporated in India (covered entities) with respect to the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report as under :

1. (a) The covered entities, wherever applicable, have maintained proper records to show full particulars including quantitative details and situation of the fixed assets.  
(b) The management of the covered entities has physically verified fixed assets at reasonable intervals wherever applicable, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
2. (a) As explained to us, inventories have been physically verified wherever applicable at reasonable intervals during the year by the Management of the respective covered entities.  
(b) In our opinion and according to the information and explanations given to us and based on the reports of the covered entities, wherever applicable, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of that Company and the nature of its business.  
(c) In our opinion and according to the information and explanations given to us and based on the reports of the covered entities, wherever applicable, we are of the opinion that the covered entities are maintaining proper records of inventories. And no material discrepancies were noticed on physical verification.
3. The covered entities, wherever applicable, have not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the requirements of clauses (iii) (a) to (b) of the paragraph 3 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us and based on the reports of the covered entities, wherever applicable, there is adequate internal control system commensurate with the size of the Companies and the nature of their businesses with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. In our opinion and according to the information and explanations given to us and based on the reports of the covered entities, the covered entities have not accepted any deposits from Public under the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Hence the relevant para is not applicable to the covered entities.
6. The Central Government has prescribed maintenance of cost records under Section 148(1) of the Companies Act, for the Holding Company manufacturing jute products. We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts & records have been made & maintained but no detailed examination of such records and accounts have been carried out by us.
7. (a) According to the information and explanations given to us and on the basis of our examination of the books and account and based on the reports of the covered entities, the covered entities have generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us and the records of the Holding Company examined by us and based on the reports of the covered entities, the dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31st March, 2015 which have not been deposited on account of dispute and the forum where the disputes are pending are as under :

## Annexure to the Independent Auditors' Report

(₹ 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	25,36	11,20	1999 -00 and 2004-05	WBCT(A & R) Board
	b) Sales Tax	11,04,95	-	2005-06 to 2010-11	SR/Add. Joint Commissioner, CD And WBCT (A & R) Board
	<b>Total</b>	<b>11,48,54</b>	<b>14,20</b>		

(c) According to the information and explanations given to us and on the basis of our examination of the books and account of the Holding Company and based on the reports of the covered entities, no amount is required to be transferred to Investor Education and Protection Fund as required by the relevant provisions of the Companies Act, 2013 and rules made there under, as on 31.03.2015.

8. The Group does not have any accumulated loss as at the end of the financial year. It has incurred cash losses in the current financial year but no cash loss was incurred in the immediately preceding financial year.
9. According to the information and explanations given to us by the management the covered entities have not defaulted in repayment of dues to financial institutions or banks. There were no debentures outstanding during the year.
10. According to the information and explanations given to us, the covered entities have not given any guarantee for loans taken by others from bank or financial institutions.
11. Based on information and explanations given to us for the covered entities, wherever applicable, in our opinion, the term loans have been applied for the purpose for which they were obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the covered entities have been noticed or reported during the year.

1-B, Old Post Office Street,  
Kolkata  
Dated, the 12th day of May, 2015

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

## Consolidated Balance Sheet as at 31st March, 2015

(₹ in 000)

	Note No.	As at March 31, 2015	As at March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	107,977	107,977
Reserves and Surplus	2.2	254,864	320,994
		<b>362,841</b>	<b>428,971</b>
<b>Minority Interest</b>	2.3	<b>9,212</b>	<b>8,949</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	2.4	43,492	50,031
Deferred Tax Liabilities (Net)	2.5	5,758	34,236
Other Long-Term Liabilities	2.6	1,632	1,632
Long-Term Provisions	2.7	11,242	11,639
		<b>62,124</b>	<b>97,538</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	2.8	175,934	30,732
Trade Payables	2.9	404,060	202,225
Other Current Liabilities	2.10	87,240	168,444
Short-Term Provisions	2.7	67,826	56,297
		<b>735,060</b>	<b>457,698</b>
<b>Total</b>		<b>1,169,237</b>	<b>993,156</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	2.11	307,980	381,839
Intangible Assets	2.11	(1)	(1)
Capital Work-In-Progress		3,283	3,775
		<b>311,263</b>	<b>385,614</b>
Non-Current Investments		173	173
Long-Term Loans and Advances	2.12	7,522	7,607
Other Non-Current Assets	2.16	180	14,320
		<b>319,138</b>	<b>407,714</b>
<b>Current Assets</b>			
Inventories	2.13	608,325	391,764
Trade Receivables	2.14	171,628	143,526
Cash and Bank Balances	2.15	41,491	28,649
Short-Term Loans and Advances	2.12	17,070	13,326
Other Current Assets	2.16	11,585	8,177
		<b>850,099</b>	<b>585,442</b>
<b>Total</b>		<b>1,169,237</b>	<b>993,156</b>
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

1B, Old Post Office Street

Kolkata - 700 001

Dated : 12th day of May, 2015

**Puja Guin**  
Company Secretary

**R. K. Gupta**  
Chief Financial Officer

**Ajay Todi**  
Managing Director  
DIN - 00004380

**R. V. Kanoria**  
Non-Executive Chairman  
DIN - 00003792



## Consolidated Statement of Profit & Loss for the year ended 31st March, 2015

(₹ in 000)

	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Revenue from Operations (Gross)	2.17	2,343,818	2,784,646
Less: Jute Manufacturing Cess		23,130	27,620
Revenue from Operations (Net)		<b>2,320,688</b>	<b>2,757,026</b>
Other Income	2.18	12,415	7,272
<b>Total Revenue</b>		<b>2,333,103</b>	<b>2,764,298</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.19	1,319,796	1,544,049
(Increase) / Decrease in Inventories of Finished Goods and Work-in-Progress	2.20	(38,729)	(79,174)
Employee Benefits Expense	2.21	707,071	764,407
Finance Costs	2.22	42,607	18,992
Other Expenses	2.23	389,670	427,319
		<b>2,420,415</b>	<b>2,675,593</b>
<b>Profit/(Loss) before Tax, Depreciation and Amortisation</b>		<b>(87,312)</b>	<b>88,705</b>
Depreciation and Amortisation Expense	2.24	71,444	46,378
<b>Profit/(Loss) before Tax and Exceptional items</b>		<b>(158,756)</b>	<b>42,327</b>
(Add)/Less : Exceptional items	2.25	(93,130)	—
		<b>(65,626)</b>	<b>42,327</b>
Tax Expense :	2.26		
Current Tax		4,571	12,662
Deferred Tax		(25,519)	7,092
Income Tax Provision for earlier year Written Back		(1,880)	(4,786)
<b>Profit/(Loss) for the year before share of Minority Interest</b>		<b>(42,798)</b>	<b>27,359</b>
Minority Interest		264	153
<b>Profit/(Loss) for the year</b>		<b>(43,062)</b>	<b>27,206</b>
Earnings Per Share [Face 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 ₹)		(3.99)	2.53
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No. 302049E

**M. L. Shukla**

Partner

Membership No. 051505

1B, Old Post Office Street

Kolkata - 700 001

Dated : 12th day of May, 2015

For and on behalf of the Board

**Puja Guin**  
Company Secretary

**R. K. Gupta**  
Chief Financial Officer

**Ajay Todi**  
Managing Director  
DIN - 00004380

**R. V. Kanoria**  
Non-Executive Chairman  
DIN - 00003792

## Consolidated Cash Flow Statement for the year ended 31st March, 2015

(₹ in 000)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before Tax</b>	<b>(65,626)</b>	<b>42,327</b>
<b>Adjustments for :</b>		
Depreciation & Amortisation	71,444	46,378
Excess Depreciation Written Back	(60)	
(Profit)/Loss on Sale of Fixed Assets (Net)	(13)	(5,893)
Interest received from Banks & Others	(2,327)	(426)
Finance Costs	42,607	18,992
Provision for doubtful debts	(103,137)	-
Excess Liabilities and unclaimed balances written back	24,391	(945)
Dividend received on Non Current Investments	(8)	(8)
Unrealised Loss / (Gain) on Foreign Exchange	(16)	61
	<b>(32,745)</b>	<b>100,486</b>
<b>Operating Profit before Working Capital changes</b>		
<b>Adjustments for :</b>		
(Increase)/Decrease in Trade & Other Receivables	(45,330)	(20,972)
(Increase)/Decrease in Inventories	(216,561)	(20,915)
Increase/(Decrease) in Trade Payables & Other Liabilities	222,976	66,025
Provision for Employee Benefits	21,288	(8,671)
<b>Cash generated from operations</b>	<b>(50,372)</b>	<b>115,953</b>
Direct Taxes Paid	(262)	(13,182)
<b>Net Cash from Operating Activities</b>	<b>(50,634)</b>	<b>102,771</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible & Intangible Assets including CWIP	(18,026)	(69,787)
Sale of Tangible Assets	1,405	8,480
Amount deposited as Margin money/Security	(2,826)	(4,081)
Interest received from Banks	2,147	426
Dividend received on Non current Investments	8	8
<b>Net Cash used in Investing Activities</b>	<b>(17,292)</b>	<b>(64,954)</b>

**Consolidated Cash Flow Statement** for the year ended 31st March, 2015

(₹ in 000)

	For the year ended March 31, 2015		For the year ended March 31, 2014	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
(Repayments)/Proceeds from Borrowings	138,663		9,866	
Finance Costs	(42,607)		(19,112)	
Dividend Paid	(16,160)		(26,932)	
Corporate Dividend Tax Paid	(2,746)		(4,577)	
<b>Net Cash used in Financing Activities</b>		<b>77,150</b>		<b>(40,755)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		9,224		(2,938)
Cash and Cash Equivalents (Opening Balance)		2,966		5,904
<b>Cash and Cash Equivalents (Closing Balance)</b>		<b>12,190</b>		<b>2,966</b>
Significant Accounting Policies				

**Notes:**

- Above statement has been prepared in indirect method.
- Figures for the previous years have been re-grouped wherever considered necessary.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our Report annexed  
For **SINGHI & CO.**  
Chartered Accountants  
Firm Registration No. 302049E  
**M. L. Shukla**  
Partner  
Membership No. 051505  
1B, Old Post Office Street  
Kolkata - 700 001  
Dated : 12th day of May, 2015

For and on behalf of the Board

**Puja Guin**  
Company Secretary

**R. K. Gupta**  
Chief Financial Officer

**Ajay Todi**  
Managing Director  
DIN - 00004380

**R. V. Kanoria**  
Non-Executive Chairman  
DIN - 00003792

## Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2015

(₹ in 000)

Notes	1	SIGNIFICANT ACCOUNTING POLICIES
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### 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 prescribed u/s 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

- 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) Movement in minorities' share of 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	53.90

### 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 prescribed u/s 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements has been prepared and presented as per the requirement of Schedule III as notified under The Companies Act, 2013.

### 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.

### D. Tangible Fixed 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.

## Notes to Consolidated Financial Statements

(₹ in 000)

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 Fixed 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 Tangible Fixed Assets has been provided on straight-line method at the rate determined based on the useful lives of respective assets as prescribed in Schedule II to The Companies Act, 2013. 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) Depreciation for assets purchased/sold during the year is proportionately charged.
- d) 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 exists or have decreased.

### H. Investments

- a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

The portion of long term investments expected to be realized within 12 months after reporting date are disclosed under current investments as per the requirement of Schedule III to The Companies Act, 2013.

- b) 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.
- c) Current Investments other than the portion of long term business investments disclosed under current investments are stated at lower of cost or 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 expenses in the period in which they arise.

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## Notes to Consolidated Financial Statements

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- ii) In respect of transactions covered by forward/future contract (except for firm commitments and highly probable forecast transactions), the premium or discount arising at the inception of forward/future contracts entered into to hedge an existing asset/liability, is amortized over the life of the contract. Exchange differences on such contracts 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/future 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 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 expenses as and when it accrues.
- ii) Employee benefits of long term nature are recognized as expenses based on actuarial valuation using projected unit credit method.
- 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 using projected unit credit method.
- iv) Actuarial gains and losses are recognized immediately in the Profit and Loss account as income and expenses.

### 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. The Deferred Tax charge or credit is recognised using substantively enacted tax rates, subject to the consideration of prudence, on timing differences between book profits and tax profits. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realized.

### 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 operative income or reduced from respective expenses.

### P. Provisions

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.

### Q. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## Notes to Consolidated Financial Statements

(₹ in 000)

Note	2.1	SHARE CAPITAL	As at March 31, 2015	As at March 31, 2014
<b>Authorised</b>				
		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
			<b>150,000</b>	<b>150,000</b>
<b>Issued</b>				
		1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹10/- each	<b>107,731</b>	<b>107,731</b>
<b>Subscribed and Paid-up</b>				
		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
			<b>107,977</b>	<b>107,977</b>

- 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 ( CY - 62.345 %, PY - 62.345% )	6,716,507	6,716,507

- 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 Consolidated Financial Statements

(₹ in 000)

		As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.2 RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>			
As per the last Financial Statements		<b>1,431</b>	<b>1,431</b>
<b>Capital Redemption Reserve</b>			
As per the last Financial Statements		<b>836</b>	<b>836</b>
<b>Security Premium</b>			
As per the last Financial Statements		<b>58,595</b>	<b>58,595</b>
<b>Revaluation Reserve</b>			
As per the last Financial Statements		6,971	15,190
Add : Transfer from Surplus being excess adjustment of Revaluation Reserve on Land in earlier year		3,509	-
		10,480	15,190
Less : Transfer to note no. 2.11 being difference of depreciation on revalued cost of assets and that on the original cost		10,480	8,219
		-	<b>6,971</b>
<b>General Reserve</b>			
As per the last Financial Statements		29,664	28,322
Add : Transferred from Surplus		-	1,342
		<b>29,664</b>	<b>29,664</b>
<b>Surplus</b>			
As per the last Financial Statements		223,497	216,539
Depreciation relating to earlier year as per Schedule II		(9,120)	-
Impact of Deferred Tax on depreciation relating to earlier year as per Schedule II		2,959	-
Adjustment of revalued portion of land relating to earlier year		(3,509)	-
		<b>213,827</b>	<b>216,539</b>
Add/(Less) : Profit/(Loss) for the year		(43,062)	27,206
Add: Taxation for earlier year		57	-
		<b>170,822</b>	<b>243,745</b>
<b>Less : Appropriations</b>			
Proposed Dividend		5,387	16,160
Corporate Dividend Tax on Proposed Dividend		1,097	2,746
General Reserve		-	1,342
		6,484	20,248
		<b>164,338</b>	<b>223,497</b>
<b>Net Surplus</b>		<b>254,864</b>	<b>320,994</b>



## Notes to Consolidated Financial Statements

			As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.3</b>	<b>MINORITY INTEREST</b>		
<b>In Equity</b>				
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				
<b>In Non Equity</b>				
Sijberia Industries Limited			4,400	4,137
			<b>9,212</b>	<b>8,949</b>

		Non-current portion		Current Maturities	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.4</b>	<b>LONG-TERM BORROWINGS</b>			
<b>Term Loans (Secured)</b>					
Rupee Loan from Bank					
		43,492	50,031	18,952	9,930
		<b>43,492</b>	<b>50,031</b>	<b>18,952</b>	<b>9,930</b>
Amount disclosed under the head "Other Current Liability" (Note 2.10)					
		–	–	18,952	9,930
		<b>43,492</b>	<b>50,031</b>	–	–

Rupee Term Loan from Bank is repayable in 10 semi-annual installments for ₹14,600/- between March 2012 to September 2016, for ₹ 15,000/- between September 2013 to March 2018 and in 9 semi-annual installments for ₹40,541/- from April 2015 to April 2019, for ₹ 14,821/- between January 2013 to January 2017. The primary security against such asset is hypothecation of machineries purchased under the Term Loan.

## Notes to Consolidated Financial Statements

(₹ in 000)

		As at March 31, 2015		As at March 31, 2014	
<b>Notes</b>	<b>2.5</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>			
<b>Deferred Tax Liabilities</b>					
Arising on account of :					
Depreciation					
			36,372		49,781
Less : Deferred Tax Assets					
Arising on account of :					
Section 43B of Income-Tax Act, 1961					
		30,583		15,514	
Others					
		31	30,614	31	15,545
			<b>5,758</b>		<b>34,236</b>

		As at March 31, 2015		As at March 31, 2014	
<b>Notes</b>	<b>2.6</b>	<b>OTHER LONG TERM LIABILITIES</b>			
<b>Other Liabilities</b>					
Trade and Security Deposits					
			1,583		1,583
Statutory Liability					
			49		49
			<b>1,632</b>		<b>1,632</b>

		Long Term		Short Term	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.7</b>	<b>PROVISIONS</b>			
Provision for Employee Benefits					
		11,242	11,639	56,800	35,115
Other Provisions					
Provisions for Taxation (Net of Payments)					
		-	-	4,543	2,276
Proposed Dividend					
		-	-	5,387	16,160
Corporate Dividend Tax					
		-	-	1,096	2,746
		-	-	<b>11,026</b>	<b>21,182</b>
		<b>11,242</b>	<b>11,639</b>	<b>67,826</b>	<b>56,297</b>

		As at March 31, 2015		As at March 31, 2014	
<b>Notes</b>	<b>2.8</b>	<b>SHORT TERM BORROWINGS</b>			
Working Capital Borrowings					
From Banks					
Rupee Loan from Bank (Secured)					
			80,605		23,636
Export Packing Credit in Rupees (Secured)					
			63,927		7,096
EEFC-Dollar Deposit in Foreign Currency (Secured)					
			1,402		-
			<b>145,934</b>		<b>30,732</b>
<b>Loan &amp; Advances from Related Parties</b>					
from Holding Company (Unsecured)					
			30,000		-
			<b>30,000</b>		<b>-</b>
			<b>175,934</b>		<b>30,732</b>

- 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 in Rupees and EEFC-Dollar deposit in Foreign Currency, are secured against hypothecation of Stock of materials, semi-finished and finished goods.

## Notes to Consolidated Financial Statements

(₹ in 000)

			As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.9</b>	<b>TRADE PAYABLES</b>		
		For Goods and Services	404,060	202,225
			<b>404,060</b>	<b>202,225</b>

			As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.10</b>	<b>OTHER CURRENT LIABILITIES</b>		
		Current maturities of Long Term Debt (See Note 2.4)	18,952	9,930
		Dues to Employees	36,168	132,464
		Unpaid and unclaimed dividends	5,434	4,642
		Statutory Dues	23,159	19,266
		Advances Received from Customers	2,372	1,663
		Others	1,155	479
			<b>87,240</b>	<b>168,444</b>

Notes	2.11	FIXED ASSETS											
		GROSS BLOCK				DEPRECIATION						NET BLOCK	
		Cost/Value as at 31st March, 2014	Additions during the Year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2015	Upto 31st March, 2014	Adjustment with retained earning	Provided during the year	Deductions/ Adjustments during the year	Depreciation for Addition on Revaluation during the year	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March 2014
<b>TANGIBLE ASSETS</b>													
		18,351	-	10,481**	7,870	-					-	7,870	18,351
		166,452	199		166,651	131,028	1,943	1,995	-	-	134,966	31,685	35,424
		799,595	17,669	2,052*	815,212	495,323	6,135	63,858	57	-	565,259	249,953	304,272
		4,784	215		4,999	3,639	(63)	159	-	-	3,735	1,264	1,145
		43,557	1,892	3,220*	42,229	24,436	321	4,481	1,756	-	27,482	14,747	19,121
		13,751	670		14,421	10,225	784	951	-	-	11,960	2,461	3,526
		<b>1,046,490</b>	<b>20,645</b>	<b>15,753</b>	<b>1,051,382</b>	<b>664,651</b>	<b>9,120</b>	<b>71,444</b>	<b>1,813</b>	<b>-</b>	<b>743,402</b>	<b>307,980</b>	<b>381,839</b>
<b>INTANGIBLE ASSETS</b>													
		(1)	-	-	(1)	-					-	(1)	(1)
		<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>
		<b>1,046,490</b>	<b>20,645</b>	<b>15,753</b>	<b>1,051,382</b>	<b>664,651</b>	<b>9,120</b>	<b>71,444</b>	<b>1,813</b>	<b>-</b>	<b>743,402</b>	<b>307,980</b>	<b>381,839</b>
		987,449	73,180	14,139	1,046,490	621,606	-	46,378	11,552	8,219	664,651	381,839	

### 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 ₹ Nil as on 31.03.2015 (Previous Year ₹ 6,971).
- \* Includes subsidy received on Plant & Machinery & Vehicles amounting to ₹ 2,127, Previous Year ₹ Nil; capitalised in the previous years.
- \*\* Includes reversal of revaluation reserve on land amounting to ₹ 10,481 (Previous Year ₹ Nil).
- Effective from 1st April 2014 the Company has charged depreciation based on the remaining useful life of the asset as per the requirement of Schedule II of The Companies Act, 2013. Due to above, depreciation for the year ended 31st March, 2015 is higher by ₹ 23,980. (Previous Year ₹ Nil).
- Adjustments with retained earnings amounting to ₹ 9,120 relates to assets whose remaining useful life was Nil as on 1st April, 2014 based on transitional provision of Schedule II of The Companies Act, 2013.

## Notes to Consolidated Financial Statements

(₹ in 000)

	Long Term		Short Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Notes 2.12 LOANS &amp; ADVANCES</b>				
<b>Security Deposits</b>				
Unsecured, considered good	1,705	1,704	-	-
	<b>1,705</b>	<b>1,704</b>	<b>-</b>	<b>-</b>
<b>Other Loans and Advances (Unsecured, considered good)</b>				
Advance Tax and TDS (Net of provisions)	2,504	2,610	-	-
Accrued Interest on Fixed Deposit	-	-	-	49
Advance against supply of Goods and Services	-	-	4,279	2,508
Prepaid Expenses	-	-	6,293	8,752
Advance to Employees	-	-	6,155	1,531
Balances with Government & Statutory Authorities	3,313	3,293	343	486
	<b>5,817</b>	<b>5,903</b>	<b>17,070</b>	<b>13,326</b>
	<b>7,522</b>	<b>7,607</b>	<b>17,070</b>	<b>13,326</b>

	As at March 31, 2015	As at March 31, 2014
<b>Notes 2.13 INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw Materials	314,921	131,696
Work in Progress	23,053	28,100
Finished Goods (including in transit CY - ₹ 30,597 , PY-₹ 8,845)	249,992	206,216
Stores and Spares etc.	20,359	25,752
	<b>608,325</b>	<b>391,764</b>

	Finished Goods		Work-in-Progress	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>DETAILS OF INVENTORIES</b>				
Jute	249,992	206,216	23,053	28,100
	<b>249,992</b>	<b>206,216</b>	<b>23,053</b>	<b>28,100</b>

	Current	
	As at March 31, 2015	As at March 31, 2014
<b>Notes 2.14 TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months		
Unsecured, considered good	9,569	20,185
Doubtful	10,071	-
	<b>19,640</b>	<b>20,185</b>
Provision for doubtful receivables	10,071	-
	<b>9,569</b>	<b>20,185</b>
Other Receivables		
Unsecured, considered good	162,059	123,341
	<b>171,628</b>	<b>143,526</b>

## Notes to Consolidated Financial Statements

(₹ in 000)

			As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.15</b>	<b>CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>				
Balances With Banks :				
In Current Account			3,181	435
In EEFC Account			7,808	1,104
Cash In hand (Incl'd Stamps) (As certified by the Management)			1,201	1,427
			<b>12,190</b>	<b>2,966</b>
<b>Other Bank Balances</b>				
In Unpaid Dividend Account			5,434	4,642
Fixed Deposits (Due within 12 months)			17,967	17,625
Balances with Bank held as margin money / security			5,900	3,416
			<b>29,301</b>	<b>25,683</b>
			<b>41,491</b>	<b>28,649</b>

			Non-Current		Current	
			As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.16</b>	<b>OTHER ASSETS</b>				
Insurance Claim Receivable			14,320	14,320	-	-
Less: Provision for Doubtful Claim Receivable			14,320	-	-	-
			-	14,320		
Interest Receivable			180	-	32	60
DEPB/FOCUS Licence Receivable			-	-	6,229	4,395
Duty Draw Back Receivable					5,034	3,179
Other Claims Receivable					210	145
Recoverable from employees					80	395
Others			-	-	-	3
			<b>180</b>	<b>14,320</b>	<b>11,585</b>	<b>8,177</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.17</b>	<b>REVENUE FROM OPERATIONS (GROSS)</b>		
Sale of Products (including Export Sales of CY ₹ 445,309; PY ₹ 431,323)			2,325,106	2,757,425
			<b>2,325,106</b>	<b>2,757,425</b>
<b>Other Operating Revenues</b>				
Export Benefits			18,481	13,916
Miscellaneous Sale			231	6,274
Interest Income			-	1,379
Insurance and Other Claims (Net)			-	5,652
			<b>18,712</b>	<b>27,221</b>
			<b>2,343,818</b>	<b>2,784,646</b>
<b>Details of Sale of Products</b>				
Jute Goods			2,325,106	2,757,425
			<b>2,325,106</b>	<b>2,757,425</b>

## Notes to Consolidated Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.18</b>	<b>OTHER INCOME</b>		
<b>Interest Income</b>				
		On Bank Deposits	2,318	375
		Others	9	51
<b>Dividend Income</b>				
		On Long term investments	8	8
<b>Other Non Operating Income</b>				
		Profit on sale of Fixed Assets	13	5,893
		Excess Liabilities and Unclaimed Balances written back	10,007	945
		Excess Depreciation written back	60	-
			<b>12,415</b>	<b>7,272</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.19</b>	<b>COST OF MATERIALS CONSUMED</b>		
<b>Raw Material Consumed</b>				
		Opening Inventories	131,696	192,835
		Add : Purchase	1,503,021	1,482,910
			<b>1,634,717</b>	<b>1,675,745</b>
		Less: Closing Inventories	314,921	131,696
			<b>1,319,796</b>	<b>1,544,049</b>
<b>Details of Raw Material Consumed</b>				
		Jute	1,319,796	1,544,049
			<b>1,319,796</b>	<b>1,544,049</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.20</b>	<b>(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS</b>		
<b>Inventories at the beginning of the year</b>				
		Finished Goods	206,217	131,314
		Work-in-Progress	28,099	23,828
			<b>234,316</b>	<b>155,142</b>
<b>Inventories at the end of the year</b>				
		Finished Goods	249,992	206,217
		Work-in-Progress	23,053	28,099
			<b>273,045</b>	<b>234,316</b>
			<b>(38,729)</b>	<b>(79,174)</b>

## Notes to Consolidated Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.21</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
		Salaries & Wages	528,707	569,063
		Contribution to Provident Fund & Others	77,732	70,981
		Contribution to Gratuity Fund	23,865	40,204
		Staff Welfare Expenses	8,595	7,405
		Labour Charges (Manufacturing & Processing Exp)	68,172	76,754
			<b>707,071</b>	<b>764,407</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.22</b>	<b>FINANCE COSTS</b>		
		<b>Interest Expenses</b>		
		To Banks on Term Loans	7,450	6,348
		" Banks on Working Capital Loans	18,322	5,089
		" Bill Discounting Charges/Retirement of Bills	5,965	5,067
		" Others	8,369	718
			<b>40,106</b>	<b>17,222</b>
		<b>Other Borrowing Cost</b>		
		Other Financial Charges	2,501	1,770
			<b>42,607</b>	<b>18,992</b>

## Notes to Consolidated Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.23</b>	<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>				
Stores, Spare Parts & Packing Materials Consumed			108,740	125,038
Power & Fuel			140,366	149,540
Repairs to Buildings			7,672	11,482
Repairs to Machinery			13,453	19,714
Repairs to Other Assets			7,124	7,953
Increase/(Decrease) in Cess on Stocks			7	611
			<b>277,362</b>	<b>314,338</b>
<b>SELLING AND ADMINISTRATION EXPENSES</b>				
Brokerage & Commission on Sales			8,124	8,610
Transport & Forwarding Expenses			34,340	36,684
Rent			2,274	1,102
Insurance			10,143	8,553
Rates & Taxes			2,478	870
Legal & Professional Expenses			3,784	30,023
Travelling Expenses			1,535	487
Miscellaneous Expenses			23,991	18,500
Bad & Doubtful Provision			24,391	-
<b>Auditors' Remuneration -</b>				
<b>Statutory Auditors -</b>				
Audit Fees			412	412
Limited Review			112	112
Issue of Certificates			146	60
<b>Cost Auditors -</b>				
Audit Fees			25	25
Net (Gain)/Loss on Foreign currency transaction and translation			3	7,128
Directors' Fees			550	415
			<b>112,308</b>	<b>112,981</b>
			<b>389,670</b>	<b>427,319</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.24</b>	<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
On Tangible Assets			71,444	54,597
Less: Transferred from Reserve on Revaluation			-	8,219
			<b>71,444</b>	<b>46,378</b>



## Notes to Consolidated Financial Statements

(₹ in 000)

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.25</b>	<b>EXCEPTIONAL ITEMS</b>		
		Liability no longer required written back	(93,130)	–
			<b>(93,130)</b>	<b>–</b>

			For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
<b>Notes</b>	<b>2.26</b>	<b>TAX EXPENSE</b>		
		Current Tax for the year	4,571	12,662
		Less : Income Tax provisions relating to earlier years written back	(1,880)	(4,786)
			<b>2,691</b>	<b>7,876</b>
		Deferred Tax for the year	(25,519)	1,196
		Add: Deferred Tax related to earlier years	–	5,896
			<b>(25,519)</b>	<b>7,092</b>
			<b>(22,828)</b>	<b>14,968</b>

			As at March 31, 2015	As at March 31, 2014
<b>Notes</b>	<b>2.27</b>	<b>CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :</b>		
		a) Bills Discounted with Banks	70,469	53,892
		b) Other Disputed Claims (ESI)(Gross) (Adv. paid ₹ Nil, Previous Year ₹ 1,873)	–	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
		(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 ₹ Nil Previous Year ₹ 300)	–	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 (Advance paid ₹ 1,120, Previous Year ₹.1,120)	2,536	4,498
		ii) Disputed demand against Sales Tax for the year 2005-06 to 2010-11 for which Appeal is pending before SR. and AD. Joint commissioner (CD) and WBCT (A&R) Board.	1,10,495	1,35,960
		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.	12,700	11,546
		f) a) Outstanding Bank Guarantees	37,118	37,021
		b) Outstanding Letter of Credit	9,967	59,064

## Notes to Consolidated Financial Statements

(₹ in 000)

Notes	2.28		
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to ₹ Nil Previous Year ₹ Nil)	8,097	142

### Notes 2.29

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, 2015	For the Year ended 31st March, 2014
i) Employees Provident Fund	1,663	1,737
ii) Employees Pension Scheme	35,763	31,777

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, 2015 are as follows :

	Gratuity	
	2014-15	2013-14
Present Value of funded obligations	3,33,698	3,02,034
Fair value of Plan Assets	2,78,813	2,71,013
Liabilities in respect of funded obligation based on actuarial valuation basis	<b>54,885</b>	<b>31,021</b>

The amounts recognized in the statement of Profit and Loss for the year ended 31st March, 2015 are as follow :

	2014-15	2013-14
Current service cost	30,942	24,694
Interest cost on obligation	23,840	25,143
Expected Return on plan assets(-)	(-) 19,635	(-) 20,965
Expected Return on any reimbursement right recognized as an asset	-	-
Net actuarial losses/(gains) recognized during the year	(11,282)	11,332
Past service cost	-	-
Losses/(gains) on curtailments and settlements	-	-
Total included in 'Employee Benefit Expenses'	23,865	40,204

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

	2014-15	2013-14
Present value of defined benefit obligation at the beginning of the year	3,02,034	2,56,701
Employer Service Cost (+)	30,942	24,694
Interest Cost (+)	23,840	25,143
Curtailement Cost (+)	-	-

## Notes to Consolidated Financial Statements

(₹ in 000)

Settlement Cost (+)	-	-
Plan Amendments	-	-
Acquisitions	-	-
Actuarial Gains (-)/ Loss (+)	(-)4,681	(+)11,332
Benefit Paid (-)	(-)18,437	(-)15,886
Present value of Defined Benefit obligations at the end of the year	3,33,698	3,02,034

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

Change in Assets	2014-15	2013-14
Fair value of Plan Assets at the beginning of the year	2,71,013	2,15,885
Acquisition adjustments		
Expected return on Plan Assets (+)	19,635	20,965
Actual Company Contribution (+)	-	50,000
Benefit Payments (-)	(18,437)	(15,886)
Appreciation / Depreciation of Plan Assets Actuarial Gain(+)/ Loss(-)	(+) 6,601	(+) 49
Fair Value of Plan Assets at the end of the year	2,78,812	2,71,013

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

	2014-15	2013-14
Qualifying insurance policy	100%	100%

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

	2014-15	2013-14
1 Mortality	LIC (2006-2008), ultimate table	LIC (2006-2008), 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	7.5% p.a. being consistent with the yield on Long Term Govt. Bond	9% p.a. being consistent with the yield on Long Term Govt. Bond
5 Salary Increase	7 % p.a.	7% 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 of 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 ₹ 8,776 (Previous Year ₹ 8,844) is recognized as expense and included in "Employees Benefit Expenses".

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

## Notes to Consolidated Financial Statements

(₹ in 000)

**2.31** The amount of borrowing cost capitalized during the year is ₹ Nil (Previous Year ₹ Nil).

- 2.32** a) Outstanding forward exchange contracts booked for the purpose of hedging receivables/firm commitment are USD 276, EURO 30 & Sterling Pound Nil (Previous year USD 115, EURO 41 and Sterling Pound Nil).
- b) Unhedged foreign currency receivables USD 100, EURO 26 and Sterling Pound NIL (Previous Year USD 127, EURO 22 and Sterling Pound 21) and payables are USD NIL (Previous Year USD 249).
- c) The marked to market loss amounting to ₹ 9 (Previous Year – ₹ Nil) has been accounted for. However, marked to market gain amounting to ₹ 156 (Previous Year ₹ 329) on Forward Exchange Contracts for firm commitments and highly probable forecast transaction has not been accounted for.

**2.33** 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).

**2.34** 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 :

	2014-15	2013-14
Within India	18,79,797	23,26,102
Outside India	4,45,309	4,31,323
<b>Total</b>	<b>23,25,106</b>	<b>27,57,425</b>

### 2.35 Related Party Disclosures

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

#### A. Relationships

- 1) Holding Company of the Company
  - a) R. V. Investments & Dealers Ltd.
- 2) Subsidiary Company of the Company
  - a) Ludlow Exports Ltd.
  - b) Sijberia Industries Ltd.
- 3) Enterprise (within Group)
  - a) Kirtivardhan Finvest Services Ltd. – Company having significant influence on the Company.
  - b) R. V. Investments & Dealers Ltd. – Holding of Ludlow Jute & Specialities Limited.
- 4) Key Managerial Personnel (KMP)
  - a) Sri S. S. Kanoria (Executive Chairman till 29th July 2014)
  - b) Sri J. P. Sonthalia ( Managing Director till 9th May 2014)
  - c) Sri B. M. Thakkar ( Managing Director from 9th May 2014 till 23rd June 2014)
  - d) Sri Ajay Todi (Managing Director from 1st July 2014)
  - e) Mrs. Puja Guin (Company Secretary)
  - f) Sri R. K. Gupta (C.F.O)

## Notes to Consolidated Financial Statements

(₹ in 000)

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

Particulars	Holding Co. & Enterprise having significant influence		Key Managerial Personnel		Subsidiary	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Loan taken	1,00,000	-	-	-	-	-
Loan repaid	70,000	-	-	-	-	-
Balance outstanding at year end	30,000	-	-	-	-	-
Interest Paid	6,582	-	-	-	-	-
Remuneration paid to Executive Directors	-	-	11,721	10,331	-	-
Salary paid to other than Executive Directors	-	-	4,088	1,347	-	-
Security Deposit to Subsidiary given	-	-	-	-	400	-
Security Deposit from Subsidiary refunded	-	-	-	-	400	-

2.36. Additional Information pursuant to Schedule III of The Companies Act, 2013, of enterprises consolidated as Subsidiary.

Name of the entity in the Consolidation	Net Assets i.e. total assets minus total liabilities		Share in Profit or (Loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount
<b>Parent</b>				
Ludlow Jute & Specialities Limited	99.16	359,778	101.54	(43,455)
<b>Subsidiaries (Indian)</b>				
Ludlow Exports Limited	0.78	2,838	(0.33)	141
Sijberia Industries Limited	5.74	20,824	(1.21)	516
<b>Minority Interest in all Subsidiaries</b>	2.54	9,212	(0.62)	264

**Note 2.37** Figures of less than Rupee 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.

**Note 2.38** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**Note 2.39** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company as on 31.03.2015.

**Note 2.40** 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  
1B, Old Post Office Street  
Kolkata - 700 001  
Dated : 12th day of May, 2015

For and on behalf of the Board

**Puja Guin**                      **R. K. Gupta**                      **Ajaya Todi**                      **R. V. Kanoria**  
Company Secretary    Chief Financial Officer    Managing Director    Non-Executive Chairman  
DIN - 00004380                      DIN - 00003792



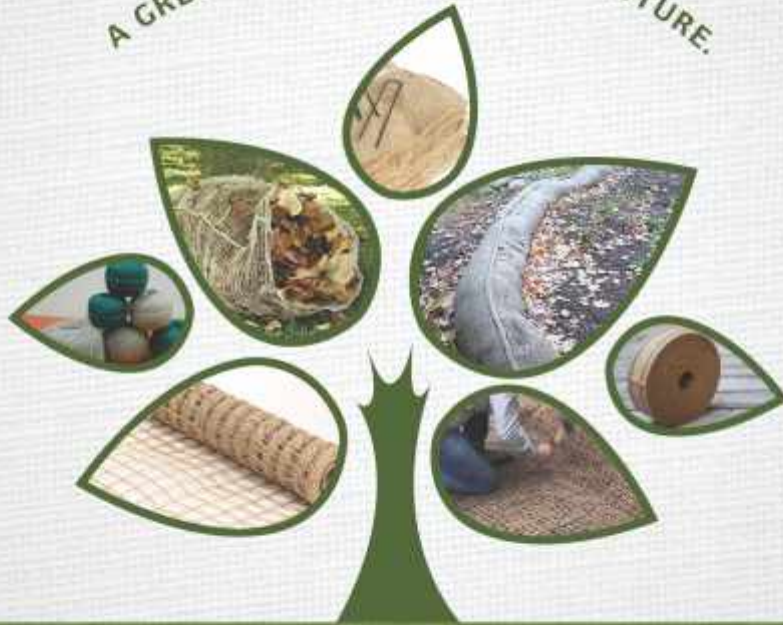


Introducing



GreenTechJute

A GREENER EARTH. A GREENER FUTURE.



Ludlow's Special Range of Diversified Jute Products

Earth Protection, Horticulture & Food Grade HCF Packaging



**LUDLOW JUTE & SPECIALITIES LIMITED**

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





## Ludlow Jute & Specialities Limited

CIN: L65993WB1979PLC032394

6, Nandalal Basu Sarani, (formerly Little Russell Street) Kolkata-700 071

### NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of **LUDLOW JUTE & SPECIALITIES LIMITED** will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020 on Tuesday, 1st September, 2015 at 03:00 p.m to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 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, 2015.
3. To appoint a Director in place of Mr. R.V. Kanoria (holding DIN 00003792) who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify appointment of 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 provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made hereunder, as amended from time to time, the appointment of M/s. Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) who have been appointed from the conclusion of 35th Annual General Meeting till the conclusion of 38th Annual General Meeting of the Company, on a remuneration to be mutually agreed upon by the Board of Directors and then be and is hereby ratified.”

#### SPECIAL BUSINESS :

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 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, Ms. Nayantara Palchoudhuri (DIN 00581440), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 24th September 2014 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of five consecutive years up to the conclusion of the 41st Annual General meeting of the Company.”

6. 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 travelling and other incidental expenses payable to M/s. Prasad & Company, Cost Accountants (Registration No. 4014), who have 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, 2016 be and is hereby ratified.”

Kolkata 12th May, 2015  
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**

Sd/-  
**Ajay Todi**  
Managing Director



## NOTES :

1. The Register of Members and Share Transfer Register of the Company shall remain closed from 25th August, 2015 to 1st September, 2015 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy in order to be effective, must be duly completed, signed, stamped 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) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than ten percent (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.
3. 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.
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 24th August, 2015 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 24th August, 2015.
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 & 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 form 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 for this purpose.
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 correspondence(s) 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 name appear as the first holder in the order of names as per the Register 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. Pursuant to Sections 101 and 136 of the Companies Act, 2013, read with the relevant Rules made there under, 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 Depository are requested to do so.

18. 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.
19. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed.
20. 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 24th July, 2015 (Cut-off date fixed for this purpose). **The e-voting period will commence at 09.00 a.m on 29th August, 2015, and will end at 5.00 p.m. on 31st August, 2015.** The Company has appointed CS Arani Guha, Partner M/s. K. Arun & Co., Practicing Company Secretaries, 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.
21. 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, is provided hereunder:
- |  |  |
|--|--|
| i. Name of the Director  | Shri R. V. Kanoria   |
| ii. Date of birth  | 23.02.1955   |
| iii. Date of appointment   | 08.11.2006   |
| iv. Expertise in specific functional areas   | An industrialist with rich business experience and vast knowledge.   |
| v. List of other Directorships held in Public Limited Companies  | <ul style="list-style-type: none"> <li>a) Kanoria Chemicals &amp; Industries Ltd</li> <li>b) Kirtivardhan Finvest Services Limited</li> <li>c) KPL International Limited</li> <li>d) PHD Chamber Of Commerce And Industry</li> <li>e) R. V. Investment and Dealers Ltd</li> <li>f) J K Paper Limited</li> <li>g) Federation Of Indian Chamber Of Commerce And Industry</li> <li>h) National Skill Development Corporation</li> <li>i) Vardhan Ltd.</li> <li>j) Nestle India Limited</li> </ul>   |
| 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 :<br><ul style="list-style-type: none"> <li>a) Nestle India Limited - Nomination and Remuneration Committee</li> <li>b) Kanoria Chemicals &amp; Industries Limited - Nomination and Remuneration Committee, Corporate Social Responsibility Committee</li> <li>c) R. V. Investment &amp; Dealers Limited - Corporate Social Responsibility Committee</li> <li>d) Kirtivardhan Finvest Services Limited - Corporate Social Responsibility Committee</li> <li>e) Vardhan Limited - Corporate Social Responsibility Committee</li> <li>f) J K Paper Limited - Nomination and Remuneration Committee</li> </ul> |
| vii. Shareholding in the Company   | 5,100  |
22. A copy of this Notice has been placed on the website of the Company and the website of CDSL.

Kolkata 12th May, 2015  
 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**

Sd/-  
**Ajay Todi**  
 Managing Director

## **Annexure to the Notice**

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

#### **1. For Item No. 5**

The Companies Act, 2013 requires at least one Woman Director to be a member of the Board of Directors. Ms Nayantara Palchoudhuri has been recommended by the Board of Directors to be the Woman Independent Director of the Company. Approval to her appointment has been sought from the Members and if approved, Ms Nayantara Palchoudhuri will join the Board of Directors as a Woman Independent Director for a term of five years effective up to the conclusion of the 41st Annual General Meeting of the Company and during the term she will not be liable to retire by rotation.

Ms Nayantara Palchoudhuri, aged 53 years is a noted industrialist and an eminent citizen. She is a fourth generation Tea Planter with more than 20 years of experience in the successful operations and management of tea estates in North Bengal. She completed B.A. (Hons) in Political Science from University of Jadavpur with a First Class First and was awarded the University Gold Medal and the National Scholarship; an M.A. in Development Studies from School of Oriental and African Studies (SOAS, University of London) and M. Phil (Research Degree) from the London School of Economics & Political Science where she was awarded the prestigious Metcalfe Scholarship.

She is presently serving as the Honorary Consul of Norway in the Eastern Region looking after their trade development and consular matters. She was recently awarded the Banga Samman Award, the Nari Samman Award and the FICCI - 2008 Woman Achiever Award and was the only delegate from India to the International Visitors Leadership Program to USA on an invitation from the US Government in 2007.

She is also the Chairperson of the North Bengal Branch and Council Member of the Tea Research Association, Member of the National Committee for Tea and the Indian Tea Association. She is a Wholtime Director of Washabarie Tea Co Pvt Ltd; Director of West Bengal Tea Development Corporation Ltd and Rossell India Limited and a Partner in Mohurgong & Gulma Tea Estates.

She is a Member of the Executive Committee of Indian Chamber of Commerce and of the National Executive Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI). She is the Founder Member of the Entrepreneurship Development Institute set up in association with the Government of West Bengal and the Bengal National Chamber of Commerce and Industry for skill and enterprise development.

She is currently the President of the Indo British Scholars Association. She was the First Lady President of the 120 year old Bengal National Chamber of Commerce and Industry and was a Member of the Senate of Calcutta University and an Executive Council Member of the Netaji Subhas Open University.

She is associated with several social associations and has held several responsibilities, including Past District Governor of Rotary International District 3291, Member of the Advisory Committee of the Indian Council for Cultural Relations, Kolkata, International Vice-Chairman of the London School of Economics Alumni Associations, Executive Committee of the Ladies Study Group and State Co-Convener of Indian National Trust for Art and Cultural Heritage (INTACH), the leading heritage conservation organization in the country.

Ms. Palchoudhuri does not hold any shares in the Company, nor is she related to any Director or Key Managerial Personnel of the Company. She has given a declaration that she fulfills and complies with all the conditions specified in the Companies Act, 2013 making her eligible to be appointed as an Independent Director.

#### **2. For Item No. 6**

As recommended by the Audit Committee, the 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 ₹ 25,000/- (Rupees twenty five thousand only), plus travelling 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, 2015 and ending on 31st March, 2016 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 the proposed Ordinary Resolution in relation to ratification of the remuneration payable to cost auditor.

Kolkata 12th May, 2015  
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**

Sd/-  
**Ajay Todi**  
Managing Director

# 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 : investors.grievance@ludlowjute.com, Website : www.ludlowjute.com

## ATTENDANCE SLIP

--

I hereby record my presence at the Annual General Meeting of the above named Company held at **Shripati Singhania Hall in Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Tuesday, 1st September, 2015 at 3:00 p.m.**

.....  
Name of Proxy (in BLOCK LETTERS)

.....  
Signature of the Member/Proxy  
(To be signed at the time of handing over this slip)

**Members / Proxies, who come to attend the meeting, are requested to bring their copies of the Annual Report with them.**



## ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	User ID	Password
<b>E-voting facility is available during the following voting period:</b>		
Commencement of E-Voting		End of E-Voting
Saturday 29th August, 2015 (09.00 a.m.)		Monday 31st August, 2015 (5.00 p.m.)
Please refer to the e-voting instructions is annexed hereto		

# 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 : investors.grievance@ludlowjute.com, Website : www.ludlowjute.com

## PROXY FORM

### FORM MGT - 11

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

Name of the Member(s) : .....

Registered Address : .....

E-mail ID : .....

Folio No/Client ID : ..... DP ID : .....

I/We, being the member(s), of the above named Company 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 .....

As my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Tuesday, 1st September, 2015 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.	Resolution	Optional*	
		For	Against
<b>Ordinary Business :</b>			
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date together with the Directors' Reports and the Auditors' Report thereon.		
2.	To declare dividend on equity shares for the financial year ended 2015.		
3.	To appoint a Director in place of Shri Raj Vardhan Kanoria (Shri R.V. Kanoria), (holding DIN 00003792), who retires by rotation and being eligible offers himself for re-appointment.		
4.	To ratify appointment of Auditors and fix their remuneration.		
<b>Special Business :</b>			
5.	Appointment of Ms. Nayantara Palchoudhuri (holding DIN 00581440), as an Independent Director.		
6.	Ratification of the remuneration of the Cost Auditor.		

Signed this ..... day of ..... 2015

.....  
Signature of Shareholder (s)

.....  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

1. **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.**
2. For the resolutions, notes and statement on special business, please refer to the Notice of the Annual General Meeting.
- \*3. 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.
4. Please complete all details including details of member(s) in above box before submission.

## INSTRUCTIONS ON ELECTRONIC VOTING

**(A) In case of members receiving e-mail :**

- (i) Log on to the e-voting website [www.evotingindia.com](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>● 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.</li> <li>● 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 e-mail, the Sequence Number (SQ) is furnished therein next to your DP ID/Client ID/Folio No.</li> </ul>
DOB	<p>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.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>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.</p>

- (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.
- (ix) 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](mailto: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](mailto: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 9.00 a.m on Saturday, 29th August, 2015 and will end at 5.00 p.m. on Monday, 31st August, 2015**. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 24, 2015 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

