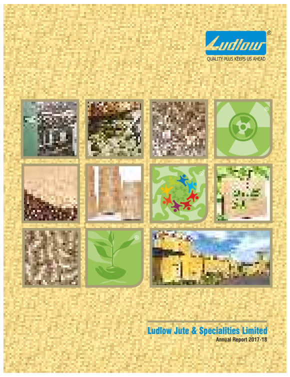
QUALITY-PLUS KEEPS US AHEAD

Ludlow Jute & Specialities Limited

Annual Report 2017-18



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 in accurate, 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**

Between the Covers

SECRETARIAL SECTION 2-33

FINANCIAL SECTION 34-136

STANDALONE

CONSOLIDATED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. R. V. Kanoria
Non-Executive Chairman

Mr. A. C. Mukherji*[1]
Independent Director

Mr. J. K. Bhagat
Independent Director

Mr. I. P. Poddar
Independent Director

Mr. B. Choudhuri
Independent Director

Mr. L. G. Toolsidass*[2]
Independent Director

Mr. S. Kapur
Independent Director

Ms. Nayantara Palchoudhuri
Independent Director

Mr. Bharat Kumar Jalan*[3]
Independent Director

Mr. Ajay Todi
Managing Director

*[1] until 8th May, 2018
*[2] until 18th April, 2018 (deceased)
*[3] w.e.f. 7th May, 2018

COMPANY SECRETARY & COMPLIANCE OFFICER
Ms. Madhuri Pandey

CHIEF FINANCIAL OFFICER
Mr. R. K. Gupta

AUDITORS
Jitendra K Agarwal & Associates
Chartered Accountants
5A, Nandlal Jew Road, Kolkata - 700026

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
KCI Plaza, 4th Floor
23C, Ashutosh Chowdhury Avenue
Kolkata - 700 019, West Bengal, India
Phone : +91 33 4050 6300 / 6330
Fax : +91 33 4050 6333 / 6334
E-mail : info@ludlowjute.com
CIN : L65993WB1979PLC032394

WORKS
P. O. Chengail, Howrah - 711 308
West Bengal, India
Phone : +91 33 2642 8366
Fax : +91 33 2642 8367

Notice

TO THE MEMBERS

NOTICE is hereby given that the Thirty-ninth 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 Thursday, 13th September, 2018 at 11.00 a.m. to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2018 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, 2018.
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 the 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 THATpursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s. J. K. Agarwal & Associates, Chartered Accountants (Firm Registration No. 318086E) who have been appointed as Statutory Auditors of the Company, to hold the office for a period of 5 consecutive years from the conclusion of 38thAnnual General Meeting till the conclusion of 43rd Annual General Meeting of the Company, on a remuneration to be agreed upon by the Board of Directors, 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 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 Rs. 25,000/- (Rupees Twenty Five Thousand only) plus travelling and other incidental expenses payable to M/s. SPK Associates, Cost Accountants, of Kailash Apartment, P-89, CIT Road, (IV M) Beliaghata, Kolkata – 700 010 who have been appointed by the Board of Directors of the Company as the Cost Auditors of the Company to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2019, be and is hereby approved."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation16(b) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, Shri Bharat Kumar Jalan (holding DIN 00876208), Additional Director of the Company, be and is hereby appointed as an Independent Director of the Company from the conclusion of this Annual General Meeting, not liable to retire by rotation, and to hold office for five consecutive years for a term up to 6th May, 2023."

Kolkata 7th May, 2018
CIN: L65993WB1979PLC032394
Registered Office:
KCI Plaza, 4th Floor,
23C, Ashutosh Chowdhury Avenue,
Kolkata-700 019
Ph: 91-33-40506300
Fax: 91-33-40506333
e-mail : info@ludlowjute.com
investors.grievance@ludlowjute.com
Website: www.ludlowjute.com

By Order of the Board
Ludlow Jute & Specialities Limited

(M. Pandey)
Company Secretary & Compliance Officer
(Membership No. A - 48154)

NOTES:

1. The Register of Members and Share Transfer Register of the Company shall remain closed from 7thSeptember, 2018 to 13th September, 2018 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY**. The Proxy in order to be effective, must be duly 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.

Notice

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 6th September, 2018 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 6th September, 2018.

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 Member(s) whose name appears as the first holder(s) 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 on the label used for mailing 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 Section 101 and 136 of the Companies Act, 2013, read with the relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not yet registered their e-mail address with the Company or their 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 Agent Limited/Depositories.

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

20. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is providing the facility to members to exercise their right 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 6th September, 2018 (Cut-off date fixed for this purpose). The e-voting period will commence at 09.00 a.m. on 10th September, 2018 and will end at 05.00 p.m. on 12th September, 2018.** The Company has appointed CA Sanjay Karnani, Partner M/s. Mohata Karnani & Associates., Practicing Chartered Accountant, 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.

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 Regulation 36(3) the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchange, is provided hereunder:

<table>
<tr><td>i. Name of the Director</td><td colspan="2">Mr. R. V. Kanoria</td></tr>
<tr><td>ii. Date of birth</td><td colspan="2">23.02.1955</td></tr>
<tr><td>iii. Date of appointment</td><td colspan="2">08.11.2006</td></tr>
<tr><td>iv. Expertise in specific functional areas</td><td colspan="2">An industrialist with rich business experience and vast knowledge.</td></tr>
<tr><td>v. List of other Directorships held in Public Limited Companies</td><td colspan="2">a) Kanoria Chemicals & Industries Ltd.
b) Kirtivardhan Finvest Services Ltd.
c) KPL International Ltd.
d) R. V. Investment and Dealers Ltd.
e) J K Paper Ltd.
f) Vardhan Ltd.
g) Nestle India Ltd.
h) Ludlow Jute & Specialities Ltd.</td></tr>
<tr><td rowspan="3">vi. Chairman/ Member of Committees of the Board of other Public Limited Companies in which he is a Director
(Audit Committee and Stakeholders' Relationship Committee has been considered)</td><td>Name of Company</td><td>Name of the Committee</td></tr>
<tr><td>Chairman :
1. J K Paper Ltd
2. KPL International Ltd</td><td>
Stakeholders' Relationship
Audit</td></tr>
<tr><td>Member :
1. Nestle India Ltd
2. Kanoria Chemicals & Industries Ltd
3. J K Paper Ltd
4. R V Investment and Dealers Limited</td><td>
Stakeholders' Relationship, Audit
Audit
Audit
Stakeholders' Relationship</td></tr>
<tr><td>vii. Shareholding in the Company</td><td colspan="2">10,300</td></tr>
<tr><td>viii. Relationship with other Directors.</td><td colspan="2">None.</td></tr>
</table>

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

Kolkata 7th May, 2018
CIN: L65993WB1979PLC032394
Registered Office:
KCI Plaza, 4th Floor,
23C, Ashutosh Chowdhury Avenue,
Kolkata-700 019
Ph: 91-33-40506300
Fax: 91-33-40506333
e-mail : info@ludlowjute.com
investors.grievance@ludlowjute.com
Website: www.ludlowjute.com

By Order of the Board
Ludlow Jute & Specialities Limited

(M. Pandey)
Company Secretary & Compliance Officer
(Membership No. A - 48154)

Notice

Annexure to the Notice

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

1. **For Item no. 5**

   The previous Cost Auditors M/s. Prasad & Co., has been dissolved due to the death of one of its partners. In view of the same, the Board on the recommendation of Audit Committee has decided to appoint M/s. SPK Associates, Cost Accountants, as the new Cost Auditors of the Company at a remuneration of Rs. 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, 2018 and ending on 31st March, 2019 as required in terms of the directive issued by Cost Audit Branch, Ministry of Corporate Affairs, Government of India.

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

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

2. **For Item no. 6**

   Shri. Bharat Kumar Jalan, aged 64 years, is an industrialist having vast knowledge of the jute industry.

List of other Directorships held in various Companies	1. The India Jute And Industries Ltd 2. Hindusthan Mercantile Limited 3. Kaaleen Carpets Pvt Ltd 4. Soorya Investment Co Pvt Ltd 5. B N K Investment Co Pvt Ltd 6. Crown Investment Pvt Ltd 7. Collieries India Pvt Ltd 8. A D Investment Co Pvt Ltd

Number of Shares held in the Company: Nil

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (the Act), Shri Bharat Kumar Jalan being eligible, is proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years (up to 6th May, 2023) and whose office shall not, henceforth be liable to determination by retirement of directors by rotation.

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

Accordingly, the Board recommends the proposed Ordinary Resolution, in relation to appointment of Shri Bharat Kumar Jalan as an Independent Director, for approval by the members of the Company.

The Board commends the Resolution at Item No. 6 of the accompanying Notice for the approval by the Members of the Company. None of the Directors/Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financial or otherwise, in the said resolution. The Board recommends consideration of the proposed resolution for your approval as an Ordinary Resolution.

By Order of the Board
Ludlow Jute & Specialities Limited

(M. Pandey)
Company Secretary & Compliance Officer
(Membership No. A - 48154)

Kolkata 7th May, 2018
CIN: L65993WB1979PLC032394
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e-mail : info@ludlowjute.com
investors.grievance@ludlowjute.com
Website: www.ludlowjute.com

Notice

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

(a) The voting period begins **at 09.00 a.m. on 10th September, 2018, and will end at 5.00 p.m. on 12th September, 2018**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **6th September, 2018** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(b) The shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(c) The shareholders should log on to the e-voting website www.evotingindia.com and follow the steps given below:

(i) Click on Shareholders.

(ii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iii) Next enter the Image Verification as displayed and Click on Login.

(iv) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(v) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Example: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **or** Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then directly reach 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.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant **Ludlow Jute & Specialities Ltd** on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

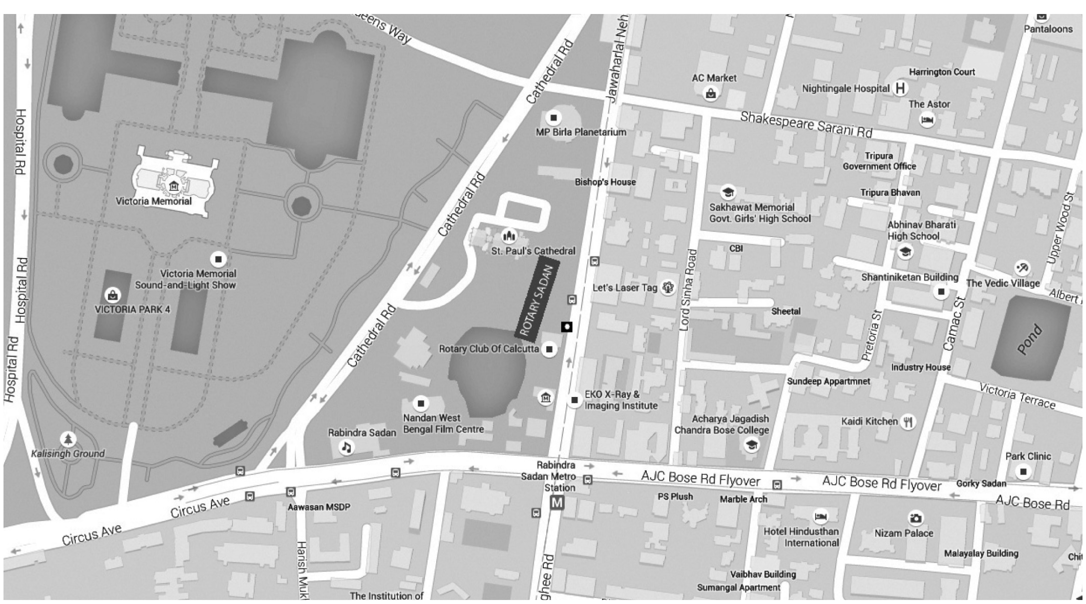
(xvi) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xvii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(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.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ROUTE MAP TO THE VENUE OF 39TH AGM



Board's Report

Dear Members,

Your Board takes pleasure in presenting its Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2018.

1. FINANCIAL SUMMARY

(Figs in ₹ in Crores)

Particulars	2017-18	2016-2017
Total Income	337.22	361.04
Profit before Finance Costs, Depreciation, Tax and Exceptional Items	12.38	18.23
Less : Finance Costs	4.18	2.85
Less: Depreciation and amortisation	5.23	5.31
Less/ (Add): Exceptional items	-	-
Profit before tax	2.97	10.07
Less: Tax expenses	1.17	3.32
Profit for the Year	1.80	6.75
Other Comprehensive income for the year net of tax	1.75	0.69
Total Comprehensive income for the year	3.55	7.44

2. DIVIDEND

The Board of Directors recommends, for consideration of shareholders at the Annual General Meeting, a Dividend @ 20 % (₹2/-per share) on Equity Shares of ₹10/- each for the year ended 31st March, 2018.

3. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserves during the current year.

4. OPERATIONS

During the year under review, the Company's sale was ₹328.11 crores (including exports of ₹ 75.74 crores) against sales of ₹354.28 crores (including exports of ₹ 57.45 crores) during the previous year. The production was 41968 M.T. against 40544 M.T. during the previous year. Revenue from operations is lower mainly due to lower raw jute prices having consequential impact on prices of Finished Goods.

Raw jute market remained sedate with steady availability during FY18 after having witnessed extreme volatility in Q1/Q2 FY17. We have seen favorable weather conditions during the March/April 2018 sowing time (which saw record number of Kalbaisakhi thundershowers) in the South Bengal belt which is the primary source for sacking jute for the industry. However, unconfirmed reports on sowing area reduction have offset the optimism on raw jute availability. During FY18, Bangladesh imposed a ban on exports of uncut jute to protect its own jute industry.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

i) Industry Structure And Developments

The Government has extended (until June 2018) the Order for compulsory packaging of Food Grains (90%) and Sugar(20%) vide Jute Packaging Materials (Compulsory use in packing commodities) Act, 1987. Extension of the same is essential to protect the interest of millions of people associated with jute cultivation and manufacture of jute products. We are optimistic that this will continue.

Enhancement of export benefits w.e.f. 1st November 2017, announced by the Government under the MEIS Scheme, coupled with a weakening Indian currency, would give a fillip to the country's export efforts.

The jute industry has seen significant increase in investments in the recent past due to need for improved efficiencies and economies of scale in the face of increasing labour costs and competition from dumped exports from Bangladesh.

Movement towards jute based consumer goods aided by increasing environmental awareness and lifestyle changes is quite perceptible.

ii) Opportunities

With the theme of World Environment Day 2018 being "Beat Plastic Pollution" and as per the reportedly planned Govt. communications, the awareness level about the harmful effects of synthetics would increase exponentially. The concept of Green Social Responsibility and green good deeds is gaining ground. This is the right time to propagate our own theme of "Replace Responsibly" whereby plastic products are replaced with eco-friendly products in areas deemed feasible.

Jute's status as the most sustainable, renewable, biodegradable and eco-friendly natural fibre has been reinforced as the world continues to grapple with pollution control problems. There is rising awareness about disposal issues leading to high total cost of using synthetics; here lies the opportunity to offer jute consumer products including jute bags as a mass consumption product.

The time has come for Jute's versatile applications for lifestyle and promotional bags, decoratives, geo-textiles, apparels, composites, upholstery furnishings and also non-wovens for both technical and non-technical purposes. The industry would do well to take advantage of various fabric-processing technologies available in for textiles.

Usage of eco-friendly jute sacks for packaging foodgrains under JPM Act 1987 is in synch with the government adopted UN sustainability goals of alleviating poverty, zero hunger, responsible consumption/production and climate change. Hence, continued compulsory jute packaging for foodgrains is likely to be an environmental necessity as well in times to come.

iii) **Threats/Risks And Concerns.**

Following are the major areas of risks and concerns:

a) Attempt made for artificially lowering/capping the price being paid for sacking supplied by the industry for packaging foodgrains to various government agencies is an area of concern.

b) Despite its eco-friendly nature and ability to withstand multiple use, jute industry is forced to plead its case each year for extension of JPM Act, 1987.

c) Seasonal shortages of labour due to adhoc absenteeism, change in new migrant labour availability patterns, shortage of skilled labour and union activism further add to high manpower costs.

d) There is an urgent need for organised training facilities for attracting new workers to the industry at an early age.

e) Unbridled increase in wage costs without linkage to productivity in the face of competition from Bangladeshi jute products produced with cheap de-unionised labour and dumped into India.

f) As an agricultural product, Jute is at the mercy of the vagaries of weather.

iv) **Segment-wise or Product-wise Performance.**

The Company established a solar power plant w.e.f. 31.03.2017. Accordingly, from Q1 FY 18, the Company has started complying segment reporting as required by Ind AS-108.

v) **Outlook.**

Good agricultural production in India is expected to further boost demand for jute products in the medium term. With increased focus on increased farmer income and assurance of a remunerative Minimum Support Price, demand for packaging products would sustain. Indian Meteorological Department has again already predicted a third successive good monsoon.

With an election year 2019 coming up, support for the Jute industry is expected to improve at all levels. However, continuous increase in Jute prices is not favourable for the industry in face of competition from other natural fibres.

It is seen that jute-based consumer products are gaining increasing acceptance. With the increasing aversion to plastic bags owing to pollution threats, increased usage of jute products can be expected.

Sustained government demand for packaging materials for foodgrains coupled with increase in worldwide offtake of eco-friendly diversified products is a pointer to the fact that, barring any exigencies, the jute industry is poised to move ahead.

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. The Company's Internal Financial Controls have been diligently studied and the required systems are in place.

The Company's new ERP Software has been stabilised and further improvements are underway.

Board's Report

vii) **Industrial Relations Front**

Your Company maintained good industrial relations during the year under review. In addition to various staff welfare schemes, a renewed focus on sanitation and hygiene have been implemented.

The Company seriously propagated the importance of the Jute specific PGDJTM course at Calcutta University and has sponsored students for the course as well. We are happy to inform that a worker's daughter, sponsored and regularly counselled by us throughout the two-year program, would be qualifying as a Jute Technologist, perhaps the first such case in the industry. We are hopeful that this will spur more girls to come forward for the same.

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 SEBI (Listing Obligations & Disclosure Requirements), 2015, 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 Annual Return for the year ended 31st March, 2018 in Form No MGT 9 is annexed as Annexure II, forming part of this 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 dealings with them. The said policy may be referred to at the website of the Company www.ludlowjute.com. The Audit Committee reviews all related party transactions quarterly. Necessary approval of the Audit Committee and the Board of Directors were taken wherever required.

Further the members may note that the Company had entered into the following related party transactions at arm's length price:

- Property taken on lease from Kirtivardhan Finvest Services Limited.
- Availing of services like maintenance, upkeep, allied services and facilities, amenities, etc., from Belvedere Gardens Limited.

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 AND MITIGATING STEPS**

The Company has identified various risks faced from different areas. As required under the SEBI (Listing Obligations & Disclosure Requirements), 2015, 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 elements 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 Composition and terms of reference of the Corporate Social Responsibility Committee have been furnished in the Corporate Governance Report, forming part of this Report. The said policy may be referred to on the Company's official website www.ludlowjute.com.

Board's Report

The Company wishes to inform the members that it is well aware and taking care of its social responsibilities and during the year the gross amount spent by the Company as CSR expenditure is ₹5.62 Lacs.

In terms of provisions under Section 135 of the Companies Act, 2013, the CSR expenses to be incurred by the Company during the year 2017-18 was ₹ 8.60 lakhs. The Company complied with all the necessary provisions of the Companies Act, 2013, by spending the said amount on the activities as identified and approved by the CSR Committee.

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.

14. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. A. C. Mukherjee, Director of the Company, has expressed his desire/intent to resign from the post of directorship of the Company, w.e.f. 8th May, 2018, due to his advancing age and on health grounds. He has been serving as Director since 14th March, 1996. The Board has taken note and accepted the same. The Board laces on record its deep appreciation of the invaluable contributions made by Mr. A. C. Mukherji during his tenor of 22 (Twenty-two) years as Directors of the Company.

Mr. Bharat Kumar Jalan has been appointed as the Additional Director of the Company w.e.f. 7th May, 2018.

The Board condoled the untimely demise of Mr. L.G. Toolsidass, Director of the Company who passed away on 18th April, 2018. His contribution to the progress of the Company was recognised by the members.

None of the Directors of the Company are disqualified for being appointed as a Director, as specified in 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 follows 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.

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

III. Ratio of Remuneration of each Director

Details of Ratio of Remuneration of each Director to the median employee's remuneration is given Annexure IV, forming part of this Report.

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, 2018, the applicable Accounting Standards had been followed;

b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/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;

d) That the Directors have prepared the accounts for the financial year ended 31st March, 2018, on 'a going concern' basis;

Board's Report

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**

The Board of Directors of the Company met four times during the financial year ended 31st March, 2018, at a gap not exceeding one hundred and twenty days as per Section 173 of the Companies Act, 2013. Details are available in the Corporate Governance Report forming part of this 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 partner 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	10440	2500
Other Equity	11372	715
Total Assets	21824	3268
Total Liabilities	21824	3268
% of Shareholding	53.91	100

Performance	Sijberia Industries Ltd.	Ludlow Exports Ltd.
Turnover	1148	188
Profit before Tax	193	146
Provision for Taxation	57	38
Profit after Tax	136	108

21. **CONSOLIDATED FINANCIAL STATEMENTS**

As stipulated by Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, 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.

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, 2018 and the date of Board's Report.

23. **LISTING WITH STOCK EXCHANGE**

Your Company is listed with Bombay Stock Exchange Limited and has paid listing fees for the financial year 2018-19.

24. **STATUTORY AUDITORS**

Board's Report

In the 38th AGM held on 4th September, 2017, M/s. J. K. Agarwal & Associates., Chartered Accountants, had been appointed as Statutory Auditors of the Company for a period of five 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 Annual 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. Our serving Cost Auditors' firm, M/s. Prasad & Co., had been dissolved due to the death of one of its partners. On recommendation of the Chairman of the Audit Committee, M/s. SPK Associates., Cost Accountants, having the surviving partner of erstwhile M/s.Prasad & Co. as a Partner, has been appointed as the new Cost Auditor of the Company to conduct the audit of Cost Records of your Company for the financial year 2018-19. The remuneration proposed to be paid to them, recommended for ratification by the Audit Committee, requires ratification by 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.

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**

Your Directors wish to place on record their appreciation for the commitment and contributions made by the employees. We would like to express our 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:		
KCI Plaza, 4th Floor,		
23C, Ashutosh Chowdhury Avenue,	**R.V. Kanoria**	**Ajay Todi**
Kolkata – 700 019	Non-Executive Chairman	Managing Director
Dated: 7th May, 2018		

Annexure to the Board's Report

ANNEXURE I

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

I. <u>CONSERVATION OF ENERGY:</u>

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 –

- Regular preventive maintenance of all machines, including boiler and compressor to minimize power losses.
- Power Factor sustained at significantly high levels through capacitor banks where required.
- Regular cleaning of panels of Roof Top Solar Power Plant.
- Use of energy efficient motors.
- Use of motion sensor based electrical switches. LED lights usage continued.

(b) Investments on continuous basis for the purpose of Energy Conservation.

II. <u>TECHNOLOGY ABSORPTION:</u>

Research & Development (R & D)

(a) Absorption 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) <u>Benefit and future plan of action:</u>

The Company derives benefits by value addition and being able to control costs.

(d) <u>Expenditure on R & D:</u>

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. <u>FOREIGN EXCHANGE EARNINGS AND OUTGO:</u>

(a) Export activities:

During the year under review, the FOB value of the exports of the Company was

₹ 6775 lacs as against ₹ 5115 lacs in the previous year.

(b) Total foreign exchange used and earned:

Used	₹ 4269 lacs
Earned	₹ 6775 lacs

Annexure to the Board's Report

Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended 31st March, 2018

[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	KCI Plaza, 4th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata 700019 Telephone : 91-33-4050-6300 Fax Number : 91-33-4050-6333 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 700026 Telephone : 91-33-4072 4051/52/53 Fax Number : 91- 33-4072 4050 Email Address: mcssta@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	99.71%

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 Ltd.	U65191WB1994PLC065400	Subsidiary	100%	2(87)
3.	Sijberia Industries Ltd.	U65191WB1994PLC065401	Subsidiary	53.91%	2(87)

Annexure to the Board's 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	
A. **Promoter**									
(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)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	**7239208**	**-**	**7239208**	**67.1969**	**7239208**	**-**	**7239208**	**67.1969**	**-**
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI		600	600	0.0056	-	500	500	0.0046	(0.0010)
c) Central Govt.	-	-	-	-	217811	-	217811	2.0218	2.0218
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**600**	**600**	**0.0056**	**217811**	**500**	**218311**	**2.0264**	**2.0208**
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	346209	17901	364110	3.3798	331080	15500	346580	3.2171	(0.1627)
ii) Overseas	53140	-	53140	0.4933	35689	-	35689	0.3313	(0.1620)
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1458526	982356	2440882	22.6571	749975	1487047	2237022	20.7649	(1.8922)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	675170	-	675170	6.2672	-	696300	696300	6.4633	0.1961
c) Others	10	-	10	0.0001	10	-	10	0.0001	-
Sub-Total –B (2)	2533055	1000257	3533312	32.8034	1116754	2198847	3315601	30.7767	(2.0208)
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**2533055**	**1000857**	**3533912**	**32.8090**	**1334565**	**2199347**	**3533912**	**32.8031**	**0.00**
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**9772263**	**1000857**	**10773120**	**100**	**8573773**	**2199347**	**10773120**	**100**	**-**

Annexure to the Board's Report

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.	Rajya Vardhan Kanoria	10300	0.0956	-	10300	0.0956	-	-
2.	R V Investment & Dealers Ltd.	6716507	62.3450	-	6716507	62.3450	-	-
3.	Kirtivardhan Finvest Services Ltd	512401	4.7563	-	512401	4.7563	-	-
	Total	7239208	67.1969	-	7239208	67.1969	-	-

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

There is no change in shareholding of the Promoter Group during the financial year 2017-18.

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.	Investor Education & Protection Fund Authority Ministry of Corporate Affairs	-	-	217811	2.0218
2.	Manu Gopaldas Chhabria	148285	1.3760	212156	1.9693
3.	MPR Bearing and Investment Pvt Ltd.	114118	1.0593	114118	1.0593
4.	Dr Ramesh Chimanlal Shah	92000	0.8540	59000	0.5477
5.	Ruby Amin Merchant	53000	0.4920	53000	0.4920
6.	Om Nath Garg	50253	0.4665	50253	0.4665
7.	Madhu Manu Chhabria	49336	0.4580	49336	0.4580
8.	West Range Properties Pvt Ltd	-	-	47000	0.4363
9.	Cyrus Shavak Patel	50000	0.4641	45000	0.4177
10.	Amin Hasanali Merchant	31640	0.2937	31640	0.2937

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.	R.V. Kanoria	10300	0.0956	10300	0.0956
2.	Satish Kapur	1000	0.0090	1000	0.0090
3.	Ajay Kumar Todi	500	0.0050	500	0.0050

Annexure to the Board's Report

vi) **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(₹ in Crores)**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1) Principal Amount	22.50	22.31	-	44.81
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.03	-	-	0.03
Total (1+2+3)	**22.53**	**22.31**	**-**	**44.84**
Change in Indebtedness during the financial year				
+ Addition	10.59	8.52	-	19.11
- Reduction	-	-	-	-
Net Change	**10.59**	**8.52**	**-**	**19.11**
Indebtedness at the end of the financial year				
1) Principal Amount	32.87	30.83	-	63.70
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.25	-	-	0.25
Total (1+2+3)	**33.12**	**30.83**	**-**	**63.95**

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 Mr. Ajay Todi	Total Amount (in ₹)
			(Amount in ₹)	
1.	Gross Salary			
	a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	48,00,000	48,00,000
	b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	40,79,865	40,79,865
	c)	Profits in lieu or 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 % of Profit - Others Specify		 5,46,216 NIL	 5,46,216 NIL
5.	Others, please specify Provident Fund & other Funds Performance Bonus		 4,80,000 NIL	 4,80,000 NIL
	Total (A)		**99,06,181**	**99,06,181**

Annexure to the Board's Report

B. Remuneration of other Directors:

(i) 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 meeting (₹)	1,10,000	1,48,000	78,000	1,60,000	1,10,000	1,00,000	1,00,000	8,06,000
Commission (₹)	-	-	-	-	-	-	-	-
Others, please specify (₹)	-	-	-	-	-	-	-	-

(ii) Others : Non-Executive Directors

Particulars of Remuneration	Name of Director Mr. R.V. Kanoria	Total Amount (in ₹)
	Amount (₹)	
Fees for attending Board/Committee meeting (₹)	60,000	60,000
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 CFO	Ms. Madhuri Pandey CS	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8,40,000	2,55,000	10,95,000
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	6,06,000	NIL	6,06,000
	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 % of Profit - Others Specify	NIL NIL	NIL NIL	NIL NIL
5.	Others, (please specify) Contribution to Provident Fund	84,000	25,500	1,09,500
	Performance Bonus	NIL	NIL	NIL
	Total (C)	**15,30,000**	**2,80,500**	**18,10,500**

viii) Penalties/Punishment/Compounding of Offences (Under the Companies Act, 2013): NIL

Annexure to the Board's Report

ANNEXURE III

Secretarial Audit Report

For the financial year ended 31st March, 2018

[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, 2018, 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 on 31st March, 2018, 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 Foreign Exchange Management Act, 1999 and the rules & regulations made thereunder;
5) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
    e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)Regulation, 2009;
6) Other applicable Acts –
    i. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
    ii. Employees' State Insurance Act, 1948;
    iii. Factories Act, 1948;
    iv. Indian Contract Act, 1872;
    v. Income Tax Act, 1961 and Indian Tax Laws;
    vi. Industrial Dispute Act, 1947;
    vii. The Maternity Benefits Act, 1948;
    viii. The Payment of Bonus Act, 1965;
    ix. The Payment of Gratuity Act, 1972;
    x. The Payment of Wages Act, 1936 and other applicable labour laws.

Annexure to the Board's Report

I have also examined compliance with the applicable clauses of the following –

i. Secretarial Standards issued by the Institute of Companies Secretaries of India;

ii. The Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited.

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

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

Adequate 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.

Sd/-

B.N. Khandelwal
Company Secretary in Practice
ACS: 1614
CP: 1148

Place: Kolkata
Date: 19th April, 2018

Annexure to the Board's Report

ANNEXURE IV

RATIO OF REMUNERATION

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year;	Mr. A. K. Todi, Managing Director – **39.54:1**		
(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. A.K. Todi, MD: **6.62 %** Mr. R. K. Gupta, CFO: **10.03%** Ms. Madhuri Pandey, CS: NA Other Directors do not draw remuneration		
(iii)	The percentage increase in the median remuneration of employees in the Financial Year;	**9.45%**		
(iv)	The number of permanent employees on the rolls of Company;	**794** employees as on 31.03.2017		
(v)	The explanation on the relationship between average increase in remuneration and Company performance;	Average increase in remuneration of all employees was **10.8%** for the year 2017-18. The increment is as per the terms of employment and based on the performance during the preceding year.		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	The increase in remuneration of the Key Managerial Personnel is made partly on the basis of their performance and partly on the basis of Company's performance.		
			31.03.2018	31.03.2017
(vii)	a. Variations in the market capitalisation of the Company;	Market Capitalisation (₹ in lacs):	9017.10	9464.19
	b. Price earnings ratio at the closing date of the current financial year and previous financial year;	Price Earnings Ratio :	50.42:1	12.79:1
	c. Increase/decrease in the market quotations of the shares of the Company as at the close of the current financial year and previous financial year;	Market Quotations: (in ₹)	83.70	87.85
(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 **3.30**%. Average Salary increase of managerial employees is **10.8%**		
(ix)	Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company	Same as in (vi) above		
(x)	The key parameters for any variable component of remuneration availed by the directors;	All employees including the Managing Director's entitlement to incentive has a variable component which is based on the individual's performance and Company's financial performance. Other components of remuneration are not variable during a particular year.		
(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 Managing Director		
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March, 2018 is as per the Remuneration Policy of the Company		

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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.

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.

We give hereunder our report on the prevailing corporate governance practices in your Company:

2. BOARD OF DIRECTORS

2.1 Composition of the Board

The Board comprised 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 the 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, 2018 by each Director in other Companies are as under:

Name of Directors	Position Held	Category/ Classification	No. of Board Meetings attended	Atten-dance in last AGM	No. of shares held	No. of other Director-ships	Details of other Board Committees Membership	
							Member	Chairman
Mr. R. V. Kanoria	Director	Non-Executive Chairman/ Promoter	3	Yes	10300	4	4	1
Mr. A. C. Mukherji	Director	Non-Executive Independent	3	Yes	-	2	2	1
Mr. J. K. Bhagat	Director	Non-Executive Independent	4	Yes	-	2	3	1
Mr. I. P. Poddar	Director	Non-Executive Independent	2	No	-	2	2	-
Mr. B. Choudhuri	Director	Non-Executive Independent	4	Yes	-	4	1	2
Mr. L. G. Toolsidass *(refer para 2.1.1)	Director	Non-Executive Independent	2	Yes	-	1	1	1
Mr. Satish Kapur	Director	Non-Executive Independent	4	Yes	1000	2	2	0
Ms. Nayantara Palchoudhuri	Director	Non-Executive Independent	4	Yes	-	4	3	-
Mr. Ajay Todi	Managing Director	Executive	4	Yes	500	1	1	-

The number of Directorships is reckoned by excluding Directorships in Companies under section 8 of the Companies Act, 2013.

In case of Committees, only two Committees, viz. the Audit Committee and the Stakeholders' Grievance Committee are considered.

Necessary disclosures have been obtained from all the Directors regarding their Directorship and have been taken on record by the Board. 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.

2.1.1 Mr. Lalit Toolsidass, Independent Director on the Board of the Company since 28th June, 2007, left for his heavenly abode on 18th April, 2018. The Board places on record the contribution made by Late Sri Toolsidass to the Company as a Non-Executive Independent Director on the Board and various Committees.

2.1.2. Further w.e.f. 7th May, 2018, Mr. Bharat Kumar Jalan has been appointed as Additional Director of the Company.

2.1.3. At the Board Meeting held on 7th May 2018, Mr. A.C. Mukherji, Independent Director of the Company since 14th March 1996, expressed his desire to resign from the Directorship of the Company w.e.f. 8th May 2018 citing his advancing age and health reasons. The Board took note and accepted the same. The Board places on record its deep appreciation of the invaluable

Report on Corporate Governance

contributions made by Mr. A.C. Mukherji during his tenure of 22(twenty-two) years as Director of the Company.

2.2. 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 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 and the Managing Director regarding compliances of all laws on a Quarterly basis.

During the Financial year ended 31st March, 2018, four Board meetings were held on 28th April, 2017, 23rd August, 2017, 25th October, 2017 and 29th January, 2018. The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days.

2.3. 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.

2.4. Disclosure of Relationships between Directors Inter-Se

None of the Directors of the Company are inter-se related to each other.

The Board has currently established the following Committees:

3. AUDIT COMMITTEE

3.1. As on 31st March, 2018 the Committee comprised of four Independent Directors all of whom are financially literate and have relevant finance exposure.

3.2. As on 31st March 2018, the Committee comprised of Mr. A. C. Mukherji (refer para 2.1.3) as the Chairman and included Mr. B. Choudhuri, Mr. I. P. Poddar and Mr. L.G. Toolsidass (refer para 2.1.1) as its members. The meetings of Audit Committee are also attended by the 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.

Further w.e.f. 7th May 2018, the Audit Committee has been reconstituted and consists of Mr. B. Choudhuri (Chairman), Mr. Bharat Kumar Jalan, Mr. Satish Kapur and Ms. Nayantara Palchoudhuri as its members.

3.3. The Audit Committee met four times during the Financial year ended 31st March, 2018 on 28th April, 2017, 23rd August, 2017, 25th October, 2017 and 29th January, 2018.

The attendance of each Committee member is as under:

Name of member	Status	No. of meetings attended
Mr. A.C. Mukherji	Chairman	3
Mr. I.P. Poddar	Member	2
Mr. B. Choudhuri	Member	4
Mr. L.G. Toolsidass *(refer para 2.1.1)	Member	2

3.4. 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 the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. 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; if any;
- Reviewing the accounting policies and adoption of applicable Accounting Standards;
- Reviewing compliances as regards the Company's Whistle Blower Policy.

4. NOMINATION AND REMUNERATION COMMITTEE

4.1. As per the provisions of Section 178 of the Companies Act, 2013 the nomenclature of the 'Remuneration Committee' had been changed to Nomination and Remuneration Committee w.e.f 9th May, 2014. As on 31st March 2018, the Committee comprised of Mr. B. Choudhuri as the Chairman and included Mr. L. G Toolsidass (refer para 2.1.1) and Mr. I.P. Poddar as its members.

Further w.e.f. 7th May 2018, the Nomination and Remuneration Committee has been reconstituted and consists of Mr. B. Choudhuri (Chairman), Mr. I.P. Poddar,Mr. J.K. Bhagat and Mr. S. Kapur as its members.

4.2. The Committee met once during the financial year ended 31st March, 2018 on 29th January, 2018.

The attendance of each Committee Member is as under:

Name of Member	Status	No. of Meetings attended
Mr. B. Choudhuri	Chairman	1
Mr. L.G. Toolsidass* also refer para 2.1.1	Member	0
Mr. I.P. Poddar	Member	1

4.3. Terms of 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 the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. 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;
- 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.

4.4. 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 the basis of such an evaluation, it is decided as to whether his/her appointment should be extended or not.

5. REMUNERATION OF DIRECTORS

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

Report on Corporate Governance

Board and the Committees where they are members.

5.1. Details of remuneration of Executive Director for the year ended 31st March, 2018. (Amount in ₹)

Name of the Directors	Salary	Commission	Contribution to provident fund	Value of other perquisites	Gratuity	Leave Encashment	Tenure of appointment
Mr. Ajay Todi	48,00,000	5,46,216	480000	4079965	-	-	5 years (from 01.07.2014 to 30.06.2019

Notes:

- 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 in writing or three months' salary in lieu thereof.

5.2. Criteria of making payments to Non-Executive Directors.

It is recognized that overall remuneration paid to Directors should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the Company's capacity to pay the remuneration.

Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") are paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) within regulatory limits, on the basis of number of such meetings attended by them, subject to review on a periodic basis.

In addition to the sitting fees, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organised by the Company for Directors) in the furtherance of his/her duties as a Director.

The Company has also formulated a note on criteria of making payments to Non- Executive Directors and the details of same are available on the website of the Company (www.ludlowjute.com).

5.3. Details of the sitting fees paid to Non-Executive Directors for the year ended 31.03.2018 is given below:-

Name of the Directors	Sitting fees (₹)	Salary (₹)	Commission (₹)	Service Contract	Notice Period	Stock Options
Mr. R. V. Kanoria	60,000	-	-	N.A.	N.A.	N.A.
Mr. J.K. Bhagat	1,48,000	-	-	N.A.	N.A.	N.A.
Mr. A.C. Mukherji	1,10,000	-	-	N.A.	N.A.	N.A.
Mr. I. P. Poddar	78,000	-	-	N.A.	N.A.	N.A.
Mr. B. Choudhuri	1,60,000	-	-	N.A.	N.A.	N.A.
Mr. L.G. Toolsidass* refer para 2.1.1	1,10,000	-	-	N.A.	N.A.	N.A.
Mr. Satish Kapur	1,00,000	-	-	N.A.	N.A.	N.A.
Ms. Nayantara Palchoudhuri	1,00,000	-	-	N.A	N.A	N.A

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

6.1. As per the provisions of Section 178 of the Companies Act, 2013 the nomenclature of the 'Share Transfer and Shareholders' Grievance Committee' had 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 (also refer para 2.1.1), Mr. I.P. Poddar and Mr. Ajay Todi as its members. The Committee meets at least once in a month. Ms. Madhuri Pandey, Company Secretary is the Compliance Officer of the Company.

Further w.e.f. 7th May 2018, the Stakeholders' Relationship Committee was reconstituted and consists of Mr. J. K. Bhagat (Chairman), Mr. I.P. Poddar, Ms. Nayantara Palchoudhuri and Mr. Ajay Todi as its members.

6.2. The Committee looks into redressal of shareholder's complaints like transfer and transmission of shares, issue of duplicate shares certificate(s), demat and remat of shares, redressal of shareholders'/ investors' grievances, etc.

6.3. At the beginning of the year, there were no outstanding complaints. A total numbers of 59(fifty-nine) complaints were received during the year which were reviewed, addressed and replied to the satisfaction of shareholders. Outstanding complaints as on 31st March, 2018 was nil.

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6.2. The Committee met 12 times during the Financial year ended 31st March, 2018 on the following dates :

29th April, 2017	31st July, 2017	31st Oct, 2017	31st Jan, 2018
31st May, 2017	31st Aug, 2017	30th Nov, 2017	28th Feb, 2018
30th June, 2017	25th Sept, 2017	30th Dec, 2017	28th Mar, 2018

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

7.1. As per the provisions of Section 135 of the Companies Act, 2013 the Corporate Social Responsibility Committee had been constituted by the Board of Directors on 29th July, 2014. As on 31st March 2018, the Committee comprised of Mr. J.K. Bhagat as the Chairman and included Mr. R.V. Kanoria and Mr. Ajay Todi as its members.

The Corporate Social Responsibility Committee has been reconstituted w.e.f. 7th May 2018 and consists of Mr. J. K. Bhagat (Chairman), Mr. R. V. Kanoria, Ms. Nayantara Palchoudhuri and Mr. Ajay Todi as its members..

7.2. The Committee's constitution, terms of reference and role are in compliance with the provisions of the Companies Act, 2013.

7.3. The CSR Committee met four times during the Financial year ended 31st March, 2018 on the following dates :

28th April, 2017	23rd Aug, 2017	25th Oct, 2017	29th Jan, 2018

8. RISK MANAGEMENT COMMITTEE

8.1. Risk Management Committee had been constituted by the Board of Directors w.e.f 6th November, 2014 as per the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.As on 31st March 2018, the Committee comprised of Mr. L.G. Toolsidass (refer para 2.1.1) as the Chairman and included Mr. Ajay Todi and Mr. R.K. Gupta as its members.

Further w.e.f. 7th May 2018, the Risk Management Committee has been reconstituted and consists of Mr. Satish Kapur (Chairman), Mr. Ajay Todi and Mr. R.K. Gupta as its members.

8.2. The Risk Management Committee met twice during the Financial Year ended 31st March, 2018 on 28th April, 2017 and 29th January, 2018.

The Company has a comprehensive enterprise risk management policy at work which is reviewed periodically by the management.

9. INDEPENDENT DIRECTORS' MEETING

As per the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the Independent Directors held a meeting on 22nd December, 2017 without the presence of the Executive Director and Management representatives.

9.1. Familarisation Programme for Independent Directors

At Ludlow, all the members of the Board of the Company are experienced professionals and are well acquainted with the industry. The Board members are provided necessary documents and reports among others to enable them to familiarise with the Company's operations and the industry at large. In respect of Executive Director, the Company arranges for training in order to strengthen competencies as Director. Relevant statutory changes/cases are also circulated from time to time to enable understanding of their true impact.

The weblink is http://www.ludlowjute.com/pdf/policies.html.

10. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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.

None of the employee(s) has been denied access to the Audit Committee.

11. The policies of the Company can be accessed on the weblink :

http://www.ludlowjute.com/pdf/policies.html.

12. 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 Regulation 26(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, with the Stock Exchange. The code of conduct has been posted on the web-site of the Company www.ludlowjute.com.

Report on Corporate Governance

13. DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH, 2018

Shareholding of Directors as on 31st March, 2018:

Name of the Directors	No. of Shares	Shareholding %
1. Mr. R.V.Kanoria	10300	0.10
2. Mr. Satish Kapur	1000	0.0090
3. Mr. Ajay Todi	500	0.0050

14. 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.

15. GENERAL BODY MEETINGS

15.1 The details of Annual General Meetings (AGM) held in last 3 years are as under:

Annual General Meeting (AGM)	Day, Date & Time	Venue
36th AGM	Tuesday, 1st September, 2015 at 3.00 P.M.	Rotary Sadan 94/2, Chowringhee Road, Kolkata – 700020
37th AGM	Thursday, 1st September, 2016 at 3.00 P.M.	Rotary Sadan 94/2, Chowringhee Road, Kolkata – 700020
38th AGM	Monday, 4th September, 2017 at 11.00 A.M.	Rotary Sadan 94/2, Chowringhee Road, Kolkata – 700020

Notes:

15.2.1. No Special Resolution was passed in the 36th and 38th AGM.

15.2.2. Following Special Resolution(s) were passed by the members of the Company in the 37th AGM:

- Consent under section 180 (1) (c) of the Companies Act, 2013 for a borrowing not exceeding ₹ 150 Crores (Rupees One hundred and fifty crores only).

15.3. No Special Resolution was passed during the year ended 31.03.2018 through postal ballot. At present, there is no proposal for passing of any Special Resolution through Postal Ballot.

16. DISCLOSURES

16.1. The Company has entered into the following related party transactions at arm's length basis:

- Property taken on lease from Kirtivardhan Finvest Services Limited.
- Availing of services like maintenance, upkeeping, allied services and facilities, amenities, etc. from Belvedere Gardens Limited.

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 are disseminated in the website of the Company (www.ludlowjute.com)

The weblink is http://www.ludlowjute.com/policies.html

16.2. 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.

16.3. 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.

16.4. The Company has formulated a policy for determining the material subsidiary and the details of such policy is available on the website of the Company (www.ludlowjute.com)

The weblink is http://www.ludlowjute.com/policies.html

Report on Corporate Governance

17. MEANS OF COMMUNICATION

17.1. The quarterly, half yearly and yearly financial results of the Company are submitted to the Bombay Stock Exchange immediately after they are approved by the Board. These are also published in the newspapers as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has its website i.e. www.ludlowjute.com wherein the quarterly/ half-yearly/ yearly results are displayed.

The financial results are normally published in Business Standard (English Newspaper) and Ek Din (Bengali Newspaper).

17.2. The Management Discussion and Analysis Report is part of the Board's Report and includes the details that give an insight into the Company's business environment.

18. GENERAL SHAREHOLDERS INFORMATION

18.1. The Registered office of the Company is situated at

KCI Plaza, 4th Floor, 23C Ashutosh Choudhury Avenue, Kolkata 700 019
Phone : 91-33-4050-6300/6330/31/32 Fax: 91-33-4050-6333/6334
E-mail: info@ludlowjute.com/investors.grievance@ludlowjute.com
Website: www.ludlowjute.com

18.2. 39th Annual General Meeting is proposed to be held on 13th September, 2018 at 11.00 A.M at at Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020.

18.3. Financial year: 1st April, 2017 to 31st March, 2018.

18.4. Date of Book Closure: 07/09/2018 to 13/09/2018 (both days inclusive)

18.5. Dividend Payment Date: On or after 13/09/2018 (within the statutory period of 30 days), subject to Shareholders' approval.

18.6. Listing of Shares and Other Securities

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

18.7. Listing Fees

The Company has paid listing fees for the financial year 2018-19 to the Bombay Stock Exchange Limited, where securities of the Company are listed.

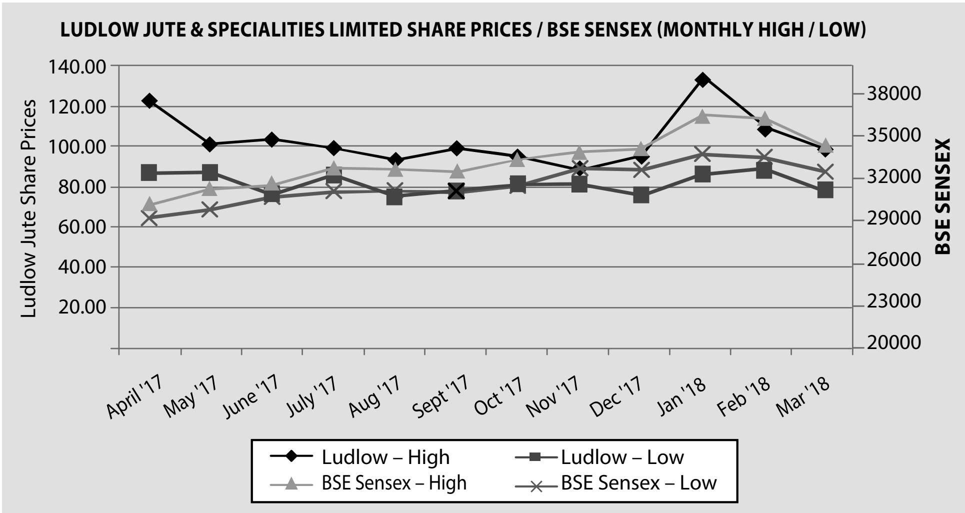
18.8. Market Price Data

The details of monthly high/low market price of the shares at Bombay Stock Exchange Limited during each month of 2017-18 are given hereunder:

Month	Quotation of Bombay Stock Exchange (in ₹)	
	HIGH	LOW
APR-2017	122.00	86.55
MAY-2017	100.75	86.55
JUNE-2017	103.00	76.20
JULY-2017	98.90	85.50
AUG-2017	92.65	74.55
SEP- 2017	99.00	77.55
OCT- 2017	93.90	81.05
NOV-2017	89.00	81.10
DEC- 2017	94.85	75.45
JAN- 2018	132.90	85.95
FEB- 2018	108.90	88.10
MAR-2018	98.50	78.15

Report on Corporate Governance

18.9. Stock Performance in Comparison to broad based indices



18.10. 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

18.11. Share Transfer System

The 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.

18.12. Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2018 is given below:

No. of Shares (Range defined)	No. of Equity Shares held	Percentage of Shareholding (%)	No. of Shareholders	Percentage of Shareholders(%)
1 - 500	1206194	11.1963	8980	92.05
501 - 1000	368369	3.4193	443	4.54
1001 - 2000	257982	2.3947	169	1.73
2001 - 3000	160780	1.4924	62	0.64
3001 - 4000	77983	0.7239	22	0.23
4001 - 5000	84226	0.7818	18	0.18
5001 -10000	215469	2.0001	30	0.31
10001 - 50000	466471	4.3300	23	0.24
50001-100000	162253	1.5061	3	0.03
100001 and above	7773393	72.1554	5	0.05
Total	**10773120**	**100.00**	**9755**	**100.00**

Report on Corporate Governance

Shareholding Pattern as on 31st March 2018

	Category	No. of Shares	% of Shareholding
A	**Promoters Holding**		
a)	Indian Promoters	7239208	67.1969
b)	Foreign Promoters	-	-
	Sub Total "A"	**7239208**	**67.1969**
B	**Non-Promoters Holding**		
a)	Banks, Financial Institutions/ Insurance Companies	500	0.0046
b)	Private Corporate Bodies	346580	3.2171
c)	Govt.	217811	2.0218
d)	Resident Individuals	2933322	27.2283
e)	NRI/ OCB	35689	0.3313
f)	Trust & Foundations	10	.0001
	Sub Total "B"	**3533912**	**32.8032**
	Grand Total : "A+B"	**10773120**	**100**

18.13. Dematerialisation of Shares

92.89 % i.e. 10007145 Equity Shares out of total Equity Capital are held in dematerialised form with NSDL and CDSL as on 31.03.2018.

18.14. Plant Location

Chengail, Howrah -711 308, West Bengal, India

Phone: (033) 2642-8366, Fax : (033) 2642-8367

18.15. Address for Correspondence/ Corporate Office is same as the Registered office address.

18.16. Exclusive e-mail id for Investors' Grievances

Pursuant to Schedule V of the SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015 with the Stock Exchanges, the following e-mail id has been designated for communicating investors' grievances: **investors.grievance@ludlowjute.com.**

Compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are available on the website of the Company www.ludlowjute.com.

19. CEO/CFO CERTIFICATION

A Certificate from the Managing Director and Chief Financial Officer, pursuant to Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 had been tabled at the Board Meeting held on 7th May, 2018 and is also annexed to this report.

20. 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.

21. MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company adopted all mandatory requirements as recommended by the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. Adoption of non mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 are being reviewed by the Board from time to time and adopted wherever necessary.

22. DECLARATION OF MANAGING DIRECTOR

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 2017-18.

Place: Kolkata
Date: 7th May, 2018

Ajay Todi
Managing Director
DIN : 00004380

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 17(8) of Schedule II of SEBI
*(*Listing Obligations and Disclosure Requirements) Regulations, 2015*]*

7th May, 2018

The Board of Directors,
Ludlow Jute & Specialities Limited,
KCI Plaza, 4th Floor,
23C, Ashutosh Chowdhury Avenue,
Kolkata – 700 019

Dear Sir(s),

A. We have reviewed the Financial Statements and the Cash Flow Statement for the quarter and the year ended 31st March, 2018 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity'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 listed entity during the year, which are fraudulent, illegal or violative of the listed entity'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 we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit committee

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and

(3) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours Sincerely,
For **Ludlow Jute & Specialities Limited**

Ajay Kumar Todi
Managing Director
DIN No. 00004380

Rajesh Kumar Gupta
Chief Financial Officer

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF LUDLOW JUTE & SPECIALITIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

We have examined the compliance of conditions of Corporate Governance of M/s Ludlow Jute & Specialities Limited ('the Company'), for the year ended 31st March 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period 1st April 2017 to 31st March 2018.

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

In our opinion and to the best of our information and according to explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Jitendra K Agarwal & Associates**
Chartered Accountants
(Firm Registration No. 318086E)

Supriyo Ghatak
Partner
(Membership No. 051889)

5A, Nandlal Jew Road, Kolkata - 700026
The 7th day of May, 2018

INDEPENDENT AUDITORS' REPORT

To The Members of
Ludlow Jute & Specialities Limited

REPORT ON THE STANDALONE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **Ludlow Jute & Specialities Limited** ("the Company"), which comprise the Balance Sheet as at March 31st, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative announcements issued by Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

Attention is drawn to the fact that the comparative figure for the year ended 31st March 2017 are based on the previously issued standalone financial statement, prepared in accordance with the IGAAP, that were audited by the predecessor Auditor. The audit report dated 28th April, 2017 on the audited standalone financial statement of the Company for the year ended 31st March 2017 issued by predecessor auditor expressed an un-modified opinion.

INDEPENDENT AUDITORS' REPORT

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) on the basis of the written representations received from the directors of the Company as on March 31st, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 standalone Ind AS financial statements. (Refer Note No. -38(i) (a) & (b))

      ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 18.

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

Supriyo Ghatak
Partner
Membership No. 051889

Place: Kolkata
Date : 7th May, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of Ludlow Jute & Specialities Limited for the year ended 31st March 2018, we report that:

i. (a) The Company has maintained proper records showing full 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.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified at reasonable intervals during the year by the Management/ Internal Auditors. The discrepancies noticed on verification between the physical stock and the book stocks, wherever ascertained were not significant and have been properly dealt in the books of accounts.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has neither issued any guarantee nor has provided any security on behalf of any party.

v. In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year.

vi. The Central Government has prescribed maintenance of cost records under section 148 (1) of the Companies Act. 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.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 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 Company examined by us, 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, 2018 which have not been deposited on account of any dispute and the forum where the disputes are pending are as under:

SI No	Nature of Dues	Gross Amount Outstanding (in ₹ lakhs)	Paid under protest (in ₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
1	Sales Tax as per WBST Act 1994	22.20	11.20	1999-00 & 2004-05	WBCT (A & R) Board
2	CST Act 1956	1.54	NIL		WBCT (A & R) Board
3	WB VAT Act 2003	83.28	Nil	2005-06 to 2014-15	WBCT (A & R) Board & Appellate Forum
4	CST Act 1956	994.95	27.36		WBCT (A & R) Board & Appellate Forum
5	Entry Tax Act 2012	1.12	Nil		WBCT (A & R) Board & Appellate Forum

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

viii. According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings from a financial institution, bank, Government.

ix. According to the information and explanations given to us, during the year, no money has been raised by way of initial public offer or further public offer. The Term loans were applied for the purpose for which they were raised.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

Supriyo Ghatak
Partner
Membership No. 051889

Place: Kolkata
Date : 7th May, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LUDLOW JUTE & SPECIALITIES LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ludlow Jute & Specialities Limited ("the Company") as of March 31st, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

Supriyo Ghatak
Partner
Membership No. 051889

Place: Kolkata
Date : 7th May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
1) NON CURRENT ASSETS				
a) Property, plant and equipment	4	14,566.17	14,167.21	13,758.87
b) Capital Work in Progress	5	331.09	112.55	83.40
c) Other Intangible Assets	6	(1)	(1)	(1)
d) Investment in Subsidiaries	7	113.87	113.87	113.87
e) Financial Assets				
(i) Investment	7.1	8.65	8.00	4.60
(ii) Loans	8	37.12	91.91	20.43
f) Non -Current Tax Assets	9	1.04	21.26	21.03
g) Other non-current assets	10	541.52	193.13	73.44
		15,599.46	**14,707.93**	**14,075.64**
2) CURRENT ASSETS				
a) Inventories	11	6,276.04	5,924.90	6,201.76
b) Financial assets				
(i) Trade receivables	12	2,573.90	2,618.56	3,115.30
(ii) Cash and cash equivalents	13	115.36	37.91	97.86
(iii) Bank Balances other than Note No. 13 above	13.1	118.91	106.50	52.61
(iv) Other financial assets	14	212.72	225.37	236.22
d) Other current assets	15	711.29	426.52	385.50
		10,008.22	**9,339.76**	**10,089.25**
TOTAL ASSETS		**25,607.68**	**24,047.69**	**24,164.89**
II. EQUITY AND LIABILITIES				
1) EQUITY				
a) Equity Share Capital	16	1,079.77	1,079.77	1,079.77
b) Other Equity	17	14,777.74	14,746.95	14,197.59
TOTAL EQUITY		**15,857.51**	**15,826.72**	**15,277.36**
2) LIABILITIES				
i) NON-CURRENT LIABILITIES				
a) Financial liabilities				
(i) Borrowings	18	974.94	191.06	338.22
b) Provisions	19	173.53	154.87	146.19
c) Deferred tax liabilities (Net)	20	201.17	113.17	66.89
d) Non- Current Tax Liabilities (Net)	21	38.80	30.16	–
e) Other Non-current liabilities	22	53.66	46.05	48.08
		1,442.10	**535.31**	**599.38**
ii) CURRENT LIABILITIES				
a) Financial liabilities				
(i) Borrowings	23	5,330.79	4,199.80	4,104.53
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises		–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1,589.23	1,892.45	2,214.89
(iii) Other financial liabilities	25	935.36	1,072.68	1,041.28
b) Other current liabilities	26	314.01	263.88	278.92
c) Provisions	27	94.22	212.39	576.02
d) Current Tax Liabilities (Net)	28	44.46	44.46	72.51
		8,308.07	**7,685.66**	**8,288.15**
TOTAL LIABILITIES		**9,750.17**	**8,220.97**	**8,887.53**
TOTAL EQUITY AND LIABILITIES		**25,607.68**	**24,047.69**	**24,164.89**
Corporate & General Information	1			
Basis of Accounting	2			
Significant Accounting Policies & Significant Judgements and Key Estimates	3			

The Accompanying Notes are an integral part of the Financial Statements
As per our Report annexed.
For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No - 318086E

For and on behalf of the Board

SUPRIO GHATAK
Partner
Membership No. 051889
5A, Nandlal Jew Road, Kolkata - 700026
The 7th day of May, 2018

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I)	**Income**			
	Revenue from Operations	29	33,373.75	35,943.70
	Other Income	30	348.40	159.97
	Total Income (I)		**33,722.15**	**36,103.67**
II)	**Expenses**			
	Cost of Materials Consumed	31	18,407.96	20,408.94
	Changes in Inventories of Finished Goods and Work In Progress	32	28.03	(225.72)
	Employee benefits expense	33	8,295.10	8,134.82
	Finance Costs	34	418.21	284.57
	Depreciation and amortization expense	35	523.24	531.35
	Jute Manufacturing Cess		77.00	345.65
	Other expenses	36	5,675.99	5,617.10
	Total Expenses (II)		**33,425.53**	**35,096.71**
III)	**Profit before Taxation (I-II)**		**296.62**	**1,006.96**
IV)	**Tax Expenses**	37		
	Current Tax		115.00	320.20
	Deferred Tax		1.25	12.10
	For Earlier years		1.03	-
	Total Tax Expenses (IV)		**117.28**	**332.30**
V)	**Profit for the year (III-IV)**		**179.34**	**674.66**
VI)	**Other Comprehensive Income (OCI)**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Re-Measurement gains/(losses) on defined benefit plans		262.36	103.39
	Income tax effect on above		(86.75)	(34.19)
	Other Comprehensive Income for the year, net of tax		**175.61**	**69.20**
VII)	**Total Comprehensive Income for the year (V+VI)**		**354.95**	**743.86**
	Earnings per share - Basic and Diluted (in INR)	40	**1.66**	**6.26**
	Corporate & General Information	1		
	Basis of Accounting	2		
	Significant Accounting Policies & Significant Judgements and Key Estimates	3		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	For the year ended 31-March-18	For the year ended 31-March-17
A:	**Cash Flow From Operating Activities**		
	Net Profit Before Taxes as per Statement of Profit and Loss	296.62	1006.96
	Adjustments For :		
	Depreciation / Amortisation (Net)	523.24	531.35
	(Profit)/Loss on Sale/discard of PPE	(10.33)	(12.17)
	Finance Cost	418.21	284.57
	Excess Depreciation Written Back	(0.17)	-
	Bad Debt Written Off	22.81	69.22
	Provision for Bad Debt	10.00	-
	Provision for Diminution in value of Investment written back	(0.91)	-
	Interest Income	(8.16)	(3.44)
	Income on Government Grant	(23.24)	(31.07)
	Net gain on fair value changes on equity instrument	(0.67)	(3.40)
	Dividend received on non current investments	(0.05)	(0.04)
	Excess Liability Written Back	(68.54)	-
	Operating Profit Before Working Capital Changes	1,158.81	1,841.98
	Movements in Working Capital :		
	Decrease / (Increase) in Inventories	(351.14)	276.86
	Decrease / (Increase) in Trade receivables	11.86	206.17
	Decrease / (Increase) in Other receivables and prepayments	(241.13)	-
	(Decrease)/Increase in Trade and Other payable	(342.84)	(303.75)
	(Decrease) / Increase in provisions	162.85	(251.56)
	Cash generated from Operating Activities	398.41	1,769.70
	Direct Taxes paid (net of refunds)	(87.17)	(318.32)
	Net Cash generated/(used) from Operating Activities	**311.24**	**1,451.38**
B:	**Cash Flow From Investing Activities**		
	Purchase of PPE including CWIP and Capital Advances	(1,474.28)	(1,002.22)
	Sale of Property,Plant and Equipment	19.47	45.56
	Grant / Subsidy Received	25.77	20.30
	Amount deposited as margin money / security	(3.29)	(49.39)
	Interest Received	8.16	3.44
	Dividend Received	0.05	0.04
	Net Cash generated/(used) in Investing Activities	(1,424.12)	(982.27)
C:	**Cash Flow From Financing Activities**		
	Proceeds / (Repayment) from Long term borrowings(Net)	783.88	(147.16)
	Proceeds / (Repayment)from short term borrowings (Net)	1,130.99	95.27
	Interest paid	(400.38)	(282.66)
	Dividend Paid	(269.33)	(161.60)
	Corporate Dividend Tax Paid	(54.83)	(32.90)
	Net Cash generated/(used) from Financing Activities	1190.33	(529.05)
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	77.45	(59.94)
	Cash and Cash Equivalents as at the beginning of the year	37.91	97.85
	Cash and Cash Equivalents as at the end of the year	**115.36**	**37.91**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	For the year ended 31-March-18	For the year ended 31-March-17
Components of cash and cash equivalents		
Balance with Banks:		
In Current Accounts	39.59	9.24
In EEFC Account	68.08	21.07
Cash on hand	7.69	7.60
Cash and Cash Equivalents (Refer Note 13)	115.36	37.91

Statement of Reconciliation of Financing Activity

Particulars	Liabilities from financing activities	
	Term Loan from Banks	Current Borrowings
Balance as at April 01, 2017	191.06	4,199.80
Interest accrued and due as at April 01, 2017	–	7.20
Cash Flow (Net)	783.88	1,130.99
Non Cash Changes		
Fair Value Changes	–	–
Others*	3.37	–
Interest Expense	30.74	384.10
Interest Paid	(34.11)	(366.27)
Balance as at March 31, 2018		
Principal	974.94	5,330.79
Interest accrued and due	–	25.03
	974.94	5,355.82

* Represents amortisation of debt issuance cost relating to Term Loan

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.
For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No - 318086E

For and on behalf of the Board

SUPRIO GHATAK
Partner
Membership No. 051889
5A, Nandlal Jew Road, Kolkata - 700026
The 7th day of May, 2018

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Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

A) Equity Share Capital

(₹ in lakhs)

Balance as at 1st April, 2016	1079.77
Add/(Less): Changes in Equity Share Capital during the year	–
Balance as at March 31, 2017	1079.77
Add/(Less): Changes in Equity Share Capital during the year	–
Balance as at March 31, 2018	**1079.77**

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Item of other Comprehensive Income	Total
	Securities Premium Account	General Reserve	Retained Earnings (Net of Deferred Tax)	Re-Measurement of defined benefit plans	
Balance as at April 1, 2016	585.96	324.84	13,286.79	–	**14,197.59**
Profit for the year	–	–	674.66	–	**674.66**
Final Dividend on Equity Shares (FY 2015 - 16)	–	–	(161.60)	–	**(161.60)**
Dividend Distribution Tax on Final Dividend	–	–	(32.90)	–	**(32.90)**
ReMeasurement of Defined Benefit Obligations (net of tax)	–	–	–	69.20	**69.20**
Transfer from Other Comprehensive Income to Retained Earnings	–	–	69.20	(69.20	**–**
Balance as at March 31, 2017	**585.96**	**324.84**	**13,836.15**	**–**	**14,746.95**
Profit for the year	–	–	179.34	–	**179.34**
Final Dividend on Equity Shares (FY 2016 - 17)	–	–	(269.33)	–	**(269.33)**
Dividend Distribution Tax on Final Dividend	–	–	(54.83)	–	**(54.83)**
ReMeasurement of Defined Benefit Obligations (net of tax)	–	–	–	175.61	**175.61**
Transfer from Other Comprehensive Income to Retained Earnings	–	–	175.61	(175.61)	**–**
Balance as at March 31, 2018	**585.96**	**324.84**	**13,866.94**	**–**	**14,777.74**

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.
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NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

1 CORPORATE AND GENERAL INFORMATION

Ludlow Jute & Specialities Limited , which has remained in the forefront of product innovation and technological breakthroughs was built by Ludlow Corp. of the U.S.A on the bank of the river Hooghly at Chengail in Howrah district of West Bengal. The management has been making adequate investment in modernization and installation of specialized equipment, but it also has heralded the introduction of a number of value added products as the blending of jute with other natural/manmade fibres. Ludlow has developed products like Jute Mesh/Scrim for Roofing Felt, Agriculture, Horticulture and Webbing for Furniture Industry, Rubber Bonded jute cloth for Landscaping, special fabrics for Furnishing and Apparel, Soil Saver known as Geo-textile and Carpet-backing Cloth.

2 BASIS OF ACCOUNTING

2.1 **Statement of Compliance**

The financial statement are prepared in accordance with Indian Accounting Standards ("Ind- AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standard) Amendment Rules, 2016 and other accounting principles generally accepted in India.

The financial Statements for all periods up to and including the year ended 31st March 2017, were prepared in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of The Companies (Accounts) Rules, 2014,the Companies Act, 2013 and in accordance with the Generally Accounting Principal in India.

These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Indian Accounting Standards ("Ind-AS"). Further, in accordance with the Rules, the Company has restated its Balance Sheet as at 1st April 2016 also as per Ind-AS. For preparation of opening balance sheet under Ind-AS as at 1st April 2016, the Company has availed exemptions and first time adoption policies in accordance with Ind-AS 101 "First-time Adoption of Indian Accounting Standards", the details of which have been explained thereof in the "Notes to Reconciliation of Balance Sheet & Equity as at 1st April 2016 and 31st March, 2017 and Profit or Loss for the year ended 31st March, 2017." (Refer note 52(iv)).

2.2 **Basis of Measurement**

The financial statements have been prepared on historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value or revalued amount:

(i) Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;

(ii) Plan assets under defined benefit plans - Measured at fair value.

(iii) Property Plant and Equipment being Land-Measured at Fair Value.

2.3 **Functional and Presentation Currency**

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4 **Use of Estimates and Judgements**

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 prospectively in which the results are known/ materialized.

2.5 **Operating Cycle**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 "Presentation of Financial Statements". The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

a. Property, plant and equipment, Recognition, Measurement

i) Property, plant and equipment, except Freehold Land, held for use in the production and/or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

ii) Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met and any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

iii) In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost or present value of estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

iv) 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.

v) Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

vii) The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment (recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost except Freehold land which has been valued at its "Fair Value"

Subsequent Expenditure

i) Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

ii) Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

b. Depreciation on Property, plant and equipment

i) Depreciation on property, plant and equipment is provided under Straight Line Method at rates based on the estimated useful lives of assets prescribed by Schedule II to the Companies Act, 2013.

ii) Depreciation in respect of property, plant and equipment added / disposed off during the year is provided on pro-rata basis, with reference to the date of addition/disposal.

c. Intangible Assets

i) Intangible assets being Goodwill acquired separately are measured on initial recognition at cost. Such assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

ii) Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Other Intangible assets are amortised on straight line basis over its estimated useful life. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

iii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost.

d. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangements is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangement enteres prior to the date of transition, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

i) Finance leases :

In the books of lessee

A. Lease where the company has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalised at the commencement of the lease at the lower of the fair value or the present value of Minimum lease payments and a liability is created for an equivalent period. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

In the books of lessor

B. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

ii) Operating Leases:

In the books of lessee

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

In the books of lessor

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised based on a straight line basis over the term of the relevant lease.

e. Borrowing Costs

Borrowing costs (including other ancillary borrowing cost) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f. Foreign Currency Transactions

Functional currency

The functional currency of the company is Indian Rupees ('INR'). These financial statements are presented in Indian Rupees and all the values are rounded to the nearest thousand, except otherwise indicated.

Transactions and translations

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

g. Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on weighted average basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

h. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

(i) Sale of Goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

(ii) Dividend income

Dividend incomes from investments are recognized when the Company's right to receive the payment of the same is established by the Balance Sheet date.

(iii) Interest Income

Interest income from financial assets is recognised using effective interest rate method (EIR).

(iv) Export Incentives

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

i. Government Grant

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants are recognised in the statement of profit or loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate. Capital grant received from sponsors for construction of specific asset are recognised as deferred revenue in the Balance Sheet and transferred to the profit or loss on a systematic and rational basis over the useful lives of the related asset.

j. Income Taxes

Taxes on Income comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

i) Current Tax

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

ii) Deferred Tax

Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will not be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k. Earnings per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l. Provisions, Contingent Liability & Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economics benefits is remote. A contingent asset is neither recognized nor disclosed.

m. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

n. Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement/ balance sheet comprise of cash and cheques on hand, cash at bank including short term deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o. Retirement and other employee benefits

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the Provident fund. Contribution payable the provident fund is recognised as an expenditure in the statement of profit and loss

(ii) The Company's obligation towards gratuity, a defined benefit employee retirement scheme is recognized on the basis of period end actuarial valuation determined under the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

(iii) Short term compensated absences are provided for based on estimates. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the unit projected credit method at the end of each financial year.

p. Financial Instruments

Financial Assets:

A. Initial recognition and measurement

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

B. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Measured at Amortized Cost;

(b) Measured at Fair Value Through Other Comprehensive Income (FVTOCI);

(c) Measured at Fair Value Through Profit or Loss (FVTPL); and

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

a) Financial assets carried at amortised cost (AC)

A debt instrument is measured at the amortized cost if both the following conditions are met:

i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at the FVTOCI if both the following conditions are met:

i) The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and

ii) The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

d) Derecognition

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

e) Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

C. Investments in Subsidiaries

The Company has accounted for its investments in Subsdiaries at cost.

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in "Other Comprehensive Income".

Financial Liabilities :

A. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

B. Subsequent measurement

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

C. Financial Guarantee Contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognized less cumulative amortization.

D. Derivative financial instruments

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

E. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

F. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

q. MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

r. Standards issued but not yet effective

i) **IND AS 115 - Revenue from Contracts with Customers -** The Ministry of Corporate Affairs (MCA) on March 28, 2018 has notified new Indian Accounting Standard as mentioned above .The new standard will come to into force from accounting period commencing on or after April 01, 2018.It replaces existing recognition guidance, including Ind AS 18 Revenue and IND AS 11 Construction contract. The standard is likely to affect the measurement, recognition and disclosure of revenue. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company except disclosure. The Company will adopt the Ind AS 115 on the required effective date.

ii) **Ind AS 21 - The Effect of Changes in Foreign Exchange Rates -** The amendments to Ind AS 21 addresses issue to determine the date of transactions for the purpose of determining the exchange rate to be used on initial recognition of related assets, expenses or income when entity has received or paid advances in foreign currencies by incorporating the same in Appendix B to Ind AS 21. The amendment will come into force from accounting period commencing on or after April 01, 2018. The Company has evaluated this amendment and impact of this amendment will not be material.

s. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

i) **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

ii) **Useful lives of depreciable/ amortisable assets (tangible and intangible)**: Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

iii) **Defined Benefit Obligation (DBO) :** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

iv) **Provisions and Contingencies :** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (IND AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

v) **Impairment of Financial Assets :** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

4. Property, Plant & Equipment

(₹ in lakhs)

Particulars	Gross Carrying Value				Depreciation/Amortisation				Net Carrying Value
	As at 1.04.2017*	Additions	Sale/ Disposal	As at 31st March, 2018	As at 1.04.2017	during the year	Sale/ Disposal	As at 31st March, 2018	As at 31st March, 2018
Freehold Land	11,145.01	-	-	11,145.01	-	-	-	-	11,145.01
Buildings	1,730.60	126.90	-	1,857.50	1,388.54	16.71	-	1,405.25	452.25
Plant & Machinery	9,389.57	755.09	22.10	10,122.56	6,857.94	468.79	12.97	7,313.76	2,808.80
Vehicles	349.35	31.05	-	380.40	280.60	20.80	-	301.40	79.00
Furniture And Fittings	63.40	8.08	-	71.48	43.35	13.21	-	56.56	14.92
Office Equipments	193.89	10.21	-	204.10	134.18	3.73	-	137.91	66.19
Grand Total	**22,871.82**	**931.33**	**22.10**	**23,781.05**	**8,704.61**	**523.24**	**12.97**	**9,214.88**	**14,566.17**

Particulars		Gross Carrying Value			Depreciation/Amortisation				Net Carrying Value
	As at 1.04.2016*	Additions	Sale/ Disposal*	As at 31st March, 2017	As at 1.04.16	During the year	Sale/ Disposal	As at 31st March, 2017	As at 31st March, 2017
Freehold Land	11,145.01	–	–	11,145.01	–	–		–	11,145.01
Buildings	1,666.95	63.65	–	1,730.60	1,374.86	13.68	–	1,388.54	342.06
Plant & Machinery	8,549.11	857.58	17.12	9,389.57	6,382.80	475.14	–	6,857.94	2,531.63
Vehicles	432.67	3.19	86.51	349.35	319.32	31.53	70.25	280.60	68.75
Furniture And Fittings	55.16	8.24	–	63.40	40.32	3.03	–	43.35	20.05
Office Equipments	153.47	40.42	–	193.89	126.21	7.97	–	134.18	59.71
Grand Total	**22,002.37**	**973.08**	**103.63**	**22,871.82**	**8,243.51**	**531.35**	**70.25**	**8,704.61**	**14,167.21**

* Represents Ind AS Cost except Land which has been Fair Valued on transition date, i.e. 01.04.2016, considered as deemed cost.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

5. CAPITAL WORK IN PROGRESS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Work In Progress	331.09	112.55	83.40
	331.09	**112.55**	**83.40**

6. INTANGIBLE ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Goodwill	(1)	(1)	(1)
Figures of less than ₹ 0.01 have been shown at actuals in brackets.			
	(1)	**(1)**	**(1)**

7. INVESTMENT IN SUBSIDIARIES

	Face Value	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Number / Units	Amount	Number / Units	Amount	Number / Units	Amount
Equity Investment measured at Cost							
Investment in Equity Shares of Subsidiaries (Unquoted)							
Ludlow Exports Limited	10	2,50,000	25.00	2,50,000	25.00	2,50,000	25.00
Sijberia Industries Limited	10	5,62,859	88.87	5,62,859	88.87	5,62,859	88.87
Total (A)			**113.87**		**113.87**		**113.87**
Aggregate Book Value of Unquoted Investments			113.87		113.87		113.87
Aggregate Amount of impairment in value of Investments			–		–		–

7.1 NON-CURRENT INVESTMENTS

	Face Value	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 20 16	
		Number / Units	Amount	Number / Units	Amount	Number / Units	Amount
Investment measured at Fair Value through Profit & Loss							
a) Investment in Equity Shares (Quoted)							
Birla Corporation Ltd.	10	660	4.71	660	4.88	660	2.44
Cheviot Company Ltd.	10	274	3.76	274	2.92	274	1.97
Al Champdany Jute Co. Ltd.	10	314	0.08	338	0.09	338	0.09
Gillanders Arbuthnot & Co Ltd.	10	135	0.08	135	0.09	135	0.08
Alliance Udyog Ltd.	10	–	–	50	–	50	–
Delta International Ltd.	10	–	–	1,035	–	1035	–
Howrah Mills Company Limited.	10	–	–	50	–	50	–
The Jagatdal Industries Limited.	10	–	–	50	–	50	–
Kankinarrah Company Limited.	100	–	–	19	–	19	–
Trend Vyapaar Limited (Formerly Kelvin Jute Co. Ltd)	10	-	-	1	-	1	-

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

	Face Value	As at 31st March, 2018 Number / Units	Amount	As at 31st March, 2017 Number / Units	Amount	As at 1st April, 20 16 Number / Units	Amount
Nellimarla Jute Mills Co. Ltd.	10	-	-	70	-	70	-
New Central Jute Mills Co. Ltd.	10	-	-	12	-	12	-
Presidency Exports & Industries Limited.	10	-	-	10	-	10	-
Bajaj Hindusthan Sugar And Industries Ltd.	1	-	-	5,430	-	5430	-
Reliance Ispat Limited.	10	-	-	224	-	224	-
Solarson Ind. Ltd.	10	-	-	200	-	200	-
The Agapara Co. Ltd.	10	-	-	50	-	50	-
The Auckland International Ltd	10	-	-	990	-	990	-
Abhisek Jute & Industries Limited	10	-	-	660	-	660	-
The Baranagar Jute Factory Co. Ltd.	5	-	-	5	-	5	-
Fort William Industries Limited.	10	-	-	50	-	50	-
The Ganges Manufacturing Co. Ltd	10	-	-	50	-	50	-
The Gouripore Co. Ltd.	10	-	-	40	-	40	-
The Hooghly Mills Co. Ltd.	10	-	-	1,176	-	1176	-
The India Jute & Industries Ltd.	10	-	-	62	-	62	-
The Naddea Mills Co. Ltd	10	-	-	25	-	25	-
Waverly Investments Limited	1	-	-	7	-	7	-
Willard India Ltd.	10	-	-	1,200	-	1200	-
Reliance Jute Mills (Int.) Ltd.	10	-	-	112	-	112	-
Total (a)			**8.63**		**7.98**		**4.58**
(b) Investment in Equity Shares (Unquoted)							
Birds Jute & Exports Ltd.	100	-	-	10	-	10	-
National Co.Ltd. *	10	-	-	50	-	50	-
Santosh Garden Co Operative Ltd.	10	200.00	0.02	200	0.02	200	0.02
The Alexandera Jute Mills Ltd. *	100	-	-	5	-	5	-
The Empire Jute Co. Ltd.	10	-	-	26	-	26	-
Caledorian jute & Industries Ltd	10	-	-	50	-	50	-
The Khardah Co. Ltd. *	10	-	-	62	-	62	-
The Kinnison Jute Mills Co.Ltd. *	100	-	-	2	-	2	-
The Lawrence Investment & Property Co. Ltd.	100	-	-	10	-	10	-
The North Brooke Co. Ltd.	10	-	-	50	-	50	-
Union Jute Co. Ltd. *	100	-	-	10	-	10	-
RJM Fibres Industries Ltd.	10	-	-	56	-	56	-
RJM Investment ltd.	10	-	-	56	-	56	-
Total (b)			**0.02**		**0.02**		**0.02**
Grand Total (a+b)			**8.65**		**8.00**		**4.60**

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 20 16
The carrying value and fair value of investments are as below:				
Aggregate Book Value of Quoted Investments		8.63	7.98	4.58
Aggregate Fair Value of Quoted Investments		8.63	7.98	4.58
Aggregate Amount of Unquoted Investments		0.02	0.02	0.02

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

8. LOANS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Security Deposits	37.12	91.91	20.43
	37.12	**91.91**	**20.43**

9. NON-CURRENT TAX ASSETS (NET)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
- Advance Tax (Net of provision)	1.04	21.26	21.03
	1.04	**21.26**	**21.03**

10. OTHER NON CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Capital Advance	413.59	89.00	-
Prepaid Rent	0.24	0.79	1.24
Balance with Government Authorities	127.69	103.34	72.20
	541.52	**193.13**	**73.44**

11. INVENTORIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(As taken, valued and certified by the Management)			
Raw Materials	2,856.54	2,564.48	3,082.29
Finished Goods (including in transit CY- ₹ 87.53, 31.03.17 - ₹ 248.37, 01.04.16 - ₹ 414.30)	2,759.54	2,851.73	2,549.18
Work-in-Progress	332.02	267.86	344.69
Stores and Spares	327.94	240.83	225.60
	6,276.04	**5,924.90**	**6,201.76**

Inventories are hypothecated against working capital borrowings (Refer note no. 23)

12. TRADE RECEIVABLES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured			
Considered Good	2,573.90	2,618.56	3,115.30
Considered Doubtful	10.00	–	–
Less: Provision for Doubtful Debts	10.00	–	–
	2,573.90	**2,618.56**	**3,115.30**

Trade Receivable are hypothecated against working capital borrowings (Refer note no. 23)

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

13. CASH & CASH EQUIVALENTS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash on hand	7.69	7.60	19.33
Balance with Banks:			
– In Current Accounts	39.59	9.24	8.89
– In EEFC Account	68.08	21.07	69.64
	115.36	**37.91**	**97.86**

13.1 OTHER BANK BALANCES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Earmarked Balances with Banks			
Unpaid Dividend account	66.24	57.11	52.61
Fixed Deposits held as Margin Money	52.67	49.39	-
	118.91	**106.50**	**52.61**

14. OTHER CURRENT FINANCIAL ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Advance to Employees	212.72	223.86	232.02
Forward Contract MTM Gain Receivable	–	1.51	4.20
Insurance Claims Receivable	143.20	143.20	143.20
Less:- Doubtful	143.20	143.20	143.20
	–	–	–
	212.72	**225.37**	**236.22**

15. OTHER CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Advance against supply of Goods & Services	135.31	85.19	113.88
Balances with Government Authorities	45.16	2.50	2.54
Prepaid Rent	–	0.45	0.45
Prepaid Expenses	69.15	65.72	34.56
Receivable from Employees	6.71	8.00	4.29
Export Incentives Receivables	442.47	250.01	226.82
Receivable from JCI (Claim)	4.93	10.59	2.96
Other Receivables	3.50	–	–
Forward Contract MTM Gain Receivable	4.06	4.06	–
	711.29	**426.52**	**385.50**

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

16. EQUITY SHARE CAPITAL

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 20 16	
	Number	Amount	Number	Amount	Number	Amount
Authorized :						
Equity Shares of ₹ 10/- each	1,49,90,000	1,499.00	1,49,90,000	1,499.00	1,49,90,000	1,499.00
Redeemble Preference Shares ₹ 100/-each	1,000	1.00	1,000	1.00	1,000	1.00
		1,500.00		1,500.00		1,500.00
Issued :						
Equity Shares of ₹ 10/- each fully paid up	1,07,73,120	1,077.31	1,07,73,120	1,077.31	1,07,73,120	1,077.31
		1,077.31		1,077.31		1,077.31
Subscribed and Paid-up :						
Equity Shares of ₹ 10/- each fully paid up	1,07,73,120	1,077.31	1,07,73,120	1,077.31	1,07,73,120	1,077.31
Add : Forefeited Equity Shares (Amount originally paid up)		2.46		2.46		2.46
		1,079.77		**1,079.77**		**1,079.77**

a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.

b) Terms /Rights attached to Shareholders

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 except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) R.V. Investment & Dealers Limited is the Holding Company of this Company.

d) Details of shareholders holding more than 5% shares in the Company :

Equity Shares of ₹10 each fully paid	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 20 16	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
R V Investment & Dealers Ltd	**67,16,507**	**62.35**	**67,16,507**	**62.35**	**67,16,507**	**62.35**

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) The company has neither alloted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceeding the date at which 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 ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

17. OTHER EQUITY

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a)	**Securities Premium Account**			
	As per last Financial Statement	585.96	585.96	585.96
		585.96	**585.96**	**585.96**
b)	**General Reserve**			
	As per last Financial Statement	324.84	324.84	324.84
		324.84	**324.84**	**324.84**
c)	**Retained Earnings**			
	Balance at the beginning of the year	13,836.15	13,286.79	13,286.79
	Add: Profit for the year	179.34	674.66	-
		14,015.49	**13,961.45**	**13,286.79**
	Less: Final Dividend on Equity Shares	269.33	161.60	-
	Less: Dividend Distribution Tax	54.83	32.90	-
	Add: Transferred from OCI	175.61	69.20	-
	Balance at the end of the year	**13,866.94**	**13,836.15**	**13,286.79**
d)	**Other Comprehensive Income**			
	Remeasurement of Defined Benefits Plans			
	Balance at the beginning of the year	–	–	–
	Add/(Less): Remeasurement of Defined Benefit Plan	262.36	103.39	–
	Add/(Less): Tax on the above	(86.75)	(34.19)	–
		175.61	**69.20**	**–**
	Less: Transferred to Retained Earnings	175.61	69.20	–
	Balance at the end of the year	**–**	**–**	**–**
	Total Other Equity	**14,777.74**	**14,746.95**	**14,197.59**

Nature & Purpose of Reserves

Securities Premium Reserve : The Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve : The Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings : This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act 2013.

Item of other Comprehensive Income (Re-Measurement of defined benefit plans) : Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

18. LONG TERM BORROWINGS

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 20 16	
	Non - Current	Current Maturities	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured						
i) Term Loan From Banks	974.94	30.18	191.06	141.23	338.22	176.30
	974.94	30.18	191.06	141.23	338.22	176.30
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note. 25)	–	(30.18)	–	(141.23)	–	(176.30)
	974.94	–	191.06	–	338.22	–

a) Rupee Term Loan from Bank @ 11.70% interest p.a. is repayable in 10 semi-annual instalment for ₹146.00 between March 2012 to September 2016, 10 semi - annual instalments for ₹150.00 between September 2013 to March 2018, in 9 semi-annual instalments for ₹ 405.41 from April 2015 to April 2019,and 9 semi - annual instalment for ₹148.21 between January 2013 to January 2017. The primary security against such loan is hypothecation of machineries purchased under the Term Loan.

b) Term loan of ₹84.64 @ 11.70% interest p.a., is secured by hypothecation of machineries and 1st. pari passu charges on entire assets both present and future and repayable in 9 half yearly instalment of ₹9.40 each starting after 6 months of disbursement i.e 25.11.2015.

c) Term loan of ₹ 155.00 @ 8.90% interest p.a., is secured as exclusive charge over all the assets of the Company funded by the specified bank and subservient charge over all the current Assets and Movable Fixed Assets of the Company (both present & future) and repayable in 20 quarterly instalments of ₹7.75 each starting after 1 year from date of disbursement i.e 16.05.2018.

d) Term loan of ₹ 850.12 @ 8.95% interest p.a., is secured as exclusive charge over all the assets of the Company funded by the specified bank and subservient charge over all the current Assets and Movable Fixed Assets of the Company (both present & future) and repayable in 20 quarterly instalments of ₹ 42.51 each starting after 2 years from the date of disbursement i.e 03.10.2019.

19. NON CURRENT PROVISIONS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 20 16
Employee Benefits			
- Leave Encashment (Refer Note No. 39)	173.53	154.87	146.19
	173.53	**154.87**	**146.19**

20. DEFERRED TAX LIABILITIES (NET)

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a)	**Deferred Tax Liabilities**			
	Depreciation and Amortization Expenses	401.70	288.88	265.60
	Other	4.14	4.73	5.61
		405.84	**293.61**	**271.21**
b)	**Deferred Tax Assets**			
	Items U/S 43B of the Income Tax Act, 1961	139.18	177.00	103.70
	On Others	65.49	3.44	100.62
		204.67	**180.44**	**204.32**
	Deferred Tax Liabilities (Net) (a-b)	**201.17**	**113.17**	**66.89**

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

20.1 MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES DURING THE YEAR ENDED 31ST MARCH '17 AND 31ST MARCH '18

Particulars	Opening Balance as on 1st April, 2016	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income (OCI)	As at 31st March, 2017
Deferred Tax Liabilities				
Depreciation and Amortization Expenses	265.60	23.28		288.88
Others	5.61	(35.06)	34.19	4.73
	271.21	**(11.78)**	**34.19**	**293.61**
Deferred Tax Assets				
On Retirement benefits expenses as per Ind AS - 19	103.70	73.30		177.00
On Others	100.62	(97.18)		3.44
	204.32	**(23.88)**		**180.44**
Deferred Tax Liabilities (Net)	**66.89**	**12.10**	**34.19**	**113.17**

Particulars	Opening Balance as at 31st March, 2017	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income (OCI)	As at 31st March, 2018
Deferred Tax Liabilities				
Depreciation and Amortization Expenses	288.88	112.82		401.70
Others	4.73	(87.34)	86.75	4.14
	293.61	**25.48**	**86.75**	**405.84**
Deferred Tax Assets				
On Retirement benefits expenses as per Ind AS - 19	177.00	(37.82)		139.18
On Others	3.44	62.05		65.49
	180.44	**24.24**		**204.67**
Deferred Tax Liabilities (Net)	**113.17**	**1.25**	**86.75**	**201.17**

21. NON- CURRENT TAX LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax (Net of Advance Tax & Income Tax Refundable)	38.80	30.16	–
	38.80	**30.16**	**–**

22. OTHER NON CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Revenue Grant	53.66	46.05	48.08
	53.66	**46.05**	**48.08**

22.1 MOVEMENT OF DEFERRED REVENUE

Particulars	**2017-18**	**2016-17**
Opening Balance (including current portion)	65.08	75.85
Add: Grant Received during the year	25.77	20.30
Less: Released to Statement of Profit & Loss	(23.24)	(31.07)
Less: Transferred to Current Deferred Revenue Grant	(13.95)	(19.03)
Closing Balance	**53.66**	**46.05**

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

23. SHORT TERM BORROWINGS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Working Capital facilities from Banks			
- Cash Credit	3,617.02	3,391.86	2,991.51
- Export Packing Credit	854.12	561.54	517.34
- Bill Discounting	536.07	246.40	595.68
- Buyer's Credit (in Foreign Currency)	323.58	–	–
	5,330.79	**4,199.80**	**4,104.53**

Working Capital Borrowings of ₹ 3,083 (P.Y. - ₹ 2,226) are unsecured while the balance Working Capital Borrowings are secured. Working Capital Borrowings in Rupee is secured against hypothecation of entire stocks and trade receivable together with bank's pari passu 1st charge on entire assets both present and future of the Company.

24. TRADE PAYABLES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
For Goods and Services			
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 46)	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,589.23	1,892.45	2,214.89
	1,589.23	**1,892.45**	**2,214.89**

25. OTHER CURRENT FINANCIAL LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Maturities of Long-term debt (Refer Note 18)	30.18	141.23	176.30
Interest accrued and due on Loans	25.03	7.20	5.29
Unpaid Dividends	66.24	57.11	52.61
Employee Related Liabilities	798.06	851.31	791.25
Trade & Security Deposit	15.83	15.83	15.83
MTM Loss on Forward Contract	0.02	-	-
	935.36	**1,072.68**	**1,041.28**

26. OTHER CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory dues	258.23	226.69	229.39
Advance from Customers	41.83	18.16	21.76
Deferred Revenue Grant	13.95	19.03	27.77
	314.01	**263.88**	**278.92**

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

27. CURRENT PROVISIONS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefits			
- Gratuity	33.97	195.15	555.16
- Leave Encashment	60.25	17.24	20.86
	94.22	**212.39**	**576.02**

28. CURRENT TAX LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax (Net of Advance Tax)	44.46	44.46	72.51
	44.46	**44.46**	**72.51**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

29. REVENUE FROM OPERATIONS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Finished Goods - Jute Products	32,811.05	35,428.44
Total (A)	**32,811.05**	**35,428.44**
Other Operating Revenue		
Scrap Sales	–	36.06
Insurance and Other Claims (Net)	6.34	–
Miscellaneous Income	17.72	9.38
Export Incentive	538.64	469.82
Total (B)	**562.70**	**515.26**
Grand Total (A+B)	**33,373.75**	**35,943.70**

30. OTHER INCOME

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
on Bank Deposits	8.16	3.44
on Security Deposits	0.43	0.43
Dividend Income		
Dividend Income on Long Term Investment	0.05	0.04
Other Non Operating Income		
Net Gains / (Losses) on Fair Value Changes on Equity Instruments	0.67	3.40
Excess Provisions written back	0.91	–
Unspent Liabilities written back	68.54	8.37
Excess Depreciation written back	0.17	–
Bad Debt recovery	105.75	55.37
Exchange Gain / (loss) on foreign currency transaction & translation (Net)	130.15	45.66
Profit on disposal of PPE (Net)	10.33	12.17
Income on Government Grant	23.24	31.07
Miscellaneous Income	–	0.02
	348.40	**159.97**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

31. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	2,564.48	3,082.29
Add : Purchases	18,700.02	19,891.13
	21,264.50	22,973.42
Less : Inventory at the end of the year	2,856.54	2,564.48
	18,407.96	**20,408.94**

32. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN- PROGRESS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock :		
Finished Goods	2,851.73	2,549.18
Work-In-Progress	267.86	344.69
	3,119.59	**2,893.87**
Less: Closing Stock		
Finished Goods	2,759.54	2,851.73
Work-In-Progress	332.02	267.86
	3,091.56	**3,119.59**
Increase / (Decrease) in Inventories of Finished Goods & Work-In-Progress	**28.03**	**(225.72)**

33. EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	6,846.97	6,757.29
Contribution to Provident and Other Funds	1,038.74	967.76
Contribution to Gratuity Fund	301.32	298.38
Workmen and Staff Welfare Expenses	108.07	111.39
	8,295.10	**8,134.82**

34. FINANCE COST

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expenses		
On Term Loans	34.11	46.24
On Working Capital Loans	362.61	207.42
Other Financial Charges	21.49	30.91
	418.21	**284.57**

35. DEPRECIATION EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Tangible Assets	523.24	531.35
	523.24	**531.35**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

36. OTHER EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing Expenses		
Consumption of Stores and Spares	1,543.97	1,344.95
Power & Fuel	1,564.95	1,595.71
Sub Contracting/Job Work Charges	1,165.38	1,100.37
Repairs to Machinery	66.28	151.25
Repairs to Building	55.05	98.53
	4,395.63	**4,290.81**
Selling And Administration Expenses		
Rates and Taxes	18.29	11.76
Repairs to Others	150.62	145.98
Insurance	52.95	49.51
Rent	16.49	31.14
Travelling and Conveyance Expenses	27.42	45.31
Freight and Forwarding Expenses	590.10	508.71
Increase/Decrease of Cess on Finished Goods	(21.35)	0.06
Legal and Professional Fees	41.77	45.96
Brokerage	93.80	85.33
Bad Debts written off	22.81	69.22
Provision for Bad Debts	10.00	–
MTM (Gain)/Loss on Derivative Instruments	–	2.69
Contribution to CSR Activities (Refer Note No 43)	5.62	8.31
Director Sitting Fees	8.66	8.32
Auditors' Remuneration (Refer Note No. 36.1)	9.80	10.11
Miscellaneous Expenses	253.38	303.88
	1,280.36	**1,326.29**
	5,675.99	**5,617.10**

36.1 PAYMENT TO AUDITOR

	For the year ended March 31, 2018	For the year ended March 31, 2017
Statutory Audit fees	6.40	7.36
Limited Review	1.50	1.73
Issue of certificates	1.65	0.77
Cost Audit Fees	0.25	0.25
	9.80	**10.11**

37. TAX EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Income Tax recognised in Statement of Profit and Loss		
Current Tax	115.00	320.20
Deferred Tax	1.25	12.10
	116.25	**332.30**
Income Tax for earlier years	1.03	–
	117.28	**332.30**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

37.1 RECONCILIATION OF INCOME TAX EXPENSE FOR THE YEAR WITH BOOK PROFITS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Income before Income Taxes	296.62	1,006.96
Indian Statutory Income Tax Rate *	33.06%	33.06%
Estimated Income Tax Expense	98.08	332.93
Tax Effect of adjustments to reconcile expected Income Tax Expense to Reported Income Tax Expense		
Income exempt or not chargeable to tax	(3.42)	(4.02)
Expenses Disallowed for Tax Purpose	5.16	2.73
Others *	16.43	0.66
	18.17	**(0.63)**
Tax Expense in Statement of Profit and Loss	**116.25**	**332.30**

* Includes impact of reinstatement of opening deferred tax asset / liability at enacted tax rate of 33.384% against previously recognised tax rate of 33.063%.

38. CONTINGENCIES & COMMITMENTS

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
i)	**Contingent Liabilities not provided for in respect of :**			
a)	i) Disputed demand against WBST Act,1994, (₹22.20, ₹ 22.20 as on 31.03.17,₹ 22.20 as on 01.04.16) and CST Act, 1956 (₹ 1.54, ₹ 1.54 as on 31.03.17, ₹ 3.16 as on 01.04.16) for the year 1999-00 and 2004 -05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv. Paid against WBST Act, 1994 ₹ 11.20, ₹11.20 as on 31.03.17, ₹ 11.20 as on 01.04.16)	23.74	23.74	25.36
	ii) Disputed demand against WB VAT ACT, 2003 (₹ 83.28, ₹ 81.97 as on 31.03.17, ₹185.23 as on 01.04.16). CST Act, 1956 (₹ 994.95, ₹ 828.74 as on 31.03.17, ₹ 1214.35 as on 01.04.16) & WB Entry Tax Act (₹ 1.12, ₹1.12 as on 31.03.17, ₹ nil as on 01.04.16) for the year 2005-06 to 2014-2015 for which Appeal is pending before WBCT (A&R) Board and Appellate Forum (Adv. Paid against CST Act, 1956 ₹ 27.36, ₹ Nil as on 31.03.17, ₹ 37.15 as on 01.04.16)	1,079.35	911.83	1,399.58
b)	Land Revenue (Rent) raised by the office of the Block & Land Revenue (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 from 2001-02 to 2017-18.	161.63	150.08	138.54
c)	i) Outstanding Bank Guarantees	441.82	377.97	371.18
	ii) Outstanding Letter of Credit	1,356.13	852.16	49.30
	The amounts shown in (a) and (b) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately.			
	In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.			
	The Company does not expect any reimbursements in respect of the above contingent liabilities.			
ii)	**Capital & Other Commitments**			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to ₹ 413.59 ₹ 89.00 as on 31.03.17, ₹ Nil as on 01.04.16)	173.83	97.13	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

39. EMPLOYEE BENEFITS

In accordance with the revised Ind AS 19 on Employee Benefits, the requisite disclosure are as follows :

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
i) Employees Provident Fund	27.10	22.13
ii) Employees Pension Scheme	497.11	487.29

b) Defined Benefit Plans : Benefits are of the following types :

i) Gratuity Plan

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.

ii) Provident Fund

Provident Fund (other than government administered) as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for Gratuity Plan:

1. The amount recognised in the Balance Sheet are as follows :

Particulars	As at 31st March, 2018	As at 31st March, 2017
Present Value of funded obligations	3,907.77	3,874.12
Fair value of plan assets	3873.80	3,678.97
Net Liabilities in respect of funded obligations on actuarial valuation basis	**33.97**	**195.15**

2. The expenses recognised in the statement of Profit and Loss for the year ended 31st March, 2018 are as follows :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Service Cost	287.01	255.11
Past Service Cost	1.89	–
Net Interest Cost / (Income) on the Net Defined Benefit Liability/(Asset)	12.42	43.27
Expenses recognised in statement of profit and loss	**301.32**	**298.38**
Expenses recognised during the year:		
In Income Statement	301.32	298.38
In OCI	(262.36)	(103.39)
Total expenses recognised during the year	38.96	194.99

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Present value of defined benefit obligation at the beginning of the year	3874.12	3,646.46
Current Service Cost (+)	287.01	255.11
Interest Cost (+)	281.77	284.22
Re-measurement (or Actuarial) Gain (-)/ Loss (+) arising from		
- change in financial assumptions	(65.31)	180.00
- experience variance (i.e. Actual experience vs assumptions)	(180.99)	(182.50)
Past Service Cost	1.89	–
Benefits paid (-)	(290.72)	(309.17)
Present value of defined benefit obligation at the end of the year	**3,907.77**	**3,874.12**

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fair value of Plan Assets at the beginning of the year	3,678.97	3,091.30
Acquisition adjustments		
Investment Income (+)	269.49	240.95
Actual Company Contribution (+)	200.00	555.00
Benefit Payments (-)	(290.72)	(309.17)
Return on plan assets, excluding amount recognized in net interest expense	16.06	100.89
Fair Value of Plan Assets at the end of the year	**3,873.80**	**3,678.97**

5. Other Comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gains) / losses		
- change in demographic assumptions	–	–
- change in financial assumptions	(65.31)	180.00
- experience variance (i.e. Actual experience vs assumptions)	(180.99)	(182.50)
- others	–	–
Return on plan assets, excluding amount recognized in net interest expenses	(16.06)	(100.89)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	–	–
Components of defined benefit cost recognised in other comprehensive income	**(262.36)**	**(103.39)**

6. The major categories of plan assets as a percentage of total plan assets are as follows :

Particulars	As at 31st March, 2018	As at 31st March, 2017
Qualifying insurance policy	100%	100%

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

7. The principal actuarial assumptions at the Balance Sheet date are as follows :

Particulars	As at 31st March, 2018	As at 31st March, 2017
1. Mortality Rate (% of IALM 06-08	100%	100%
2. Withdrawal rates, based on age (per annum)	2% to 1%, depending on the age and length of service	2% to 1%, depending on the age and length of service
3. Discount Rate (per annum)	7.70%	7.33%
4. Salary growth rate (per annum)	7 % p.a. for 1st 2 yrs 6% for next 2 yrs & 5.5% thereafter	7 % p.a. for 1st 2 yrs 6% for next 2 yrs & 5.5% thereafter
5. Normal Age of Retirement	58 Years	58 Years

8. A quantitative sensitivity analysis for significant assumption as at 31 March 2018 are as shown below :

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant, The results of sensitivity analysis is given below :

	Sensitivity Level	Defined benefit obligations			
		31-Mar-18		31-Mar-17	
		Increase	Decrease	Increase	Decrease
Discount Rate	1% Increase or Decrease	3630.74	4228.94	3,592.85	4,196.01
Further salary increase	1% Increase or Decrease	4231.44	3623.91	4,197.35	3,586.88

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

9. Expected Cash Flows over the next years (valued on undiscounted basis) :

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within the next 12 months	452.13	414.53
Between 2 and 5 years	1463.28	1,419.63
Between 6 and 10 years	2362.06	2,269.40
Beyond 10 years	4038.58	3,838.36
Company's best estimate of Contribution during the next year	318.89	470.42

Funding arrangements and Funding Policy :

The Company has purchased an insurance policy to provide for payment of gratuity to the employees every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

10. In respect of provident funds for eligible employees maintained by a trust, in the nature of defined benefits plan, shortfall towards ‘interest rate guarantee liability’ amounting to ₹ 35.58 lacs upto 31.03.18, as per actuarial valuation in respect of contribution towards such funds has been provided and included as expenses in ‘Contribution to PF & Other Fund’ under the heading “Employees Benefit Expenses”.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

40. Earnings Per Share (EPS)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	**BASIC**		
	Profit after Tax attributable to Equity Shareholders (₹ in lakhs) (i)	179.34	674.66
	Weighted average number of Equity Shares of ₹ 10/- each outstanding during the year (ii)	1,07,73,120	1,07,73,120
	Basic Earnings per share (in ₹) [(i)/(ii)]	1.66	6.26
(ii)	**DILUTED**		
	Dilutive potential Equity shares	Nil	Nil
	Diluted Earnings per share (in ₹) [a (i)/ a (ii)]	1.66	6.26

41. Segment Reporting

For management's purpose, the Company's business activities fall within two business segment viz. Jute Goods & Power. The disclosure requirements as per Ind AS 108 "Operating Segments" is given below :

(i) **Primary Segment information : (Business Segment)**

Particulars	2017-18			
	Jute	Power	Less: Inter	Total
Business Segment			Segment Revenue	
Segment Revenue				
External Sales	33,373.75			33,373.75
Own Consumption		97.00	97.00	–
Total Segment Revenue	**33,373.75**	**97.00**	**97.00**	33,373.75
Segment Result	**840.14**	**56.64**	–	**896.78**
Less :				
(i) Interest				418.21
(ii) Unallocated corporate expenses net of unallocated income				181.95
Profit before Tax				**296.62**
Tax Expenses				117.28
Profit after Tax	–	–		**179.34**
Other Information				
Segment Assets	24,630.58	619.27		25,249.85
Unallocated corporate assets				357.83
Total	**24,630.58**	**619.27**		**25,607.68**
Segment Liabilities	3,010.47	562.95		3,573.42
Unallocated corporate liabilities				5,201.81
Total	**3,010.47**	**562.95**		**8,775.23**
Capital Expenditure	1,149.87	–		1,149.87
Common Capital Expenditure				–
Total	**1,149.87**	–		**1,149.87**
Depreciation	487.88	35.36		523.24
Common Depreciation				–
Total	**487.88**	**35.36**		**523.24**

Note : As the Solar Power Plant was commissioned on 31st March, 2017, the need of furnishing the figures for the corresponding Previous year does not arise.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

(ii) **Secondary information : (Geographical Segment)**

The Company primarily operates in India and therefore the geographical segments considered for disclosures on the basis of sales are as under : -

Particulars	Amount (₹ in lakhs) For the year ended 31st March, 2018			Amount (₹ in lakhs) For the year ended 31st March, 2017		
	India	Overseas	Total	India	Overseas	Total
Revenue from operations	25799.75	7,574.00	33373.75	30198.43	5745.27	35,943.70
Carrying Amount of Segment Assets (Trade Receivables)	1687.16	886.74	2,573.90	2207.90	410.66	2,618.56
Carrying Amount of Segment Liabilities (Advance from Customers)	21.39	20.44	41.83	18.16	-	18.16

(iii) **Other Disclosures**

a) The Company's operations predominantly relate to Jute and other product is Power. Accordingly, these business segments comprise the primary basis of segmental information set out in these financial statements.

b) Inter-segment transfers are based on prevailing market prices.

c) The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

d) The Operating Segments have been reported in a manner consistent with the internal reporting and evaluation by Chief Operating Decision Maker (CODM).

42. Related Party Transactions

As defined in Indian Accounting Standard 24, 'Related Party Disclosures' are given below :-

A. Relationships

1) **Holding Company :**

Name of Entity	Place of Incorporation	Ownership Interest held in the Company	
		31st March 2018	31st March 2017
R.V. Investments & Dealers Ltd.	India	62.35%	62.35%

2) **Subsidiary Companies :**

Name of Entity	Place of Incorporation	Ownership Interest held in the Company	
		31st March 2018	31st March 2017
Ludlow Exports Ltd.	India	100%	100%
Sijberia Industries Ltd.	India	53.91%	53.91%

3) **Enterprises over which KMP exercises significant influence (within Group) :**

a) Kirtivardhan Finvest Services Ltd.

b) Belvedere Gardens Limited

4) **Key Managerial Personnel (KMP) :**

Name	Designation
Mr R V Kanoria	Non Executive Chairman
Mr Ajay Kumar Todi	Managing Director
Mr J. K. Bhagat	Director
Mr A.C. Mukherji	Director
Mr I.P. Pddar	Director
Mr B. Choudhuri	Director

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

Name	Designation
Mr L.G. Toolsidass	Director
Mr Satish Kapur	Director
Ms. Nayantara Palchoudhuri w.e.f. 24th September 2014	Director
Mr. R K Gupta	Chief Financial Officer
Ms. Minu Rohila till 17th September 2016	Company Secretary & Compliance Officer
Ms. Madhuri Pandey w.e.f. 1st March 2017	Company Secretary & Compliance Officer

B. Transactions during the year in the ordinary course of business :-

Particulars	Holding Co. & Enterprise having significant influence		Key Managerial Personnel	
	2017-18	2016-17	2017-18	2016-17
Remuneration paid to Managing Director	–	–	99.06	96.42
Salary Paid to other than Managing Director		–	18.11	15.98
Rent and maintenance charges paid	49.88	48.89	–	–
Director Sitting Fees		–	8.66	8.32
Closing Balance (of Security Deposit given)	3.89	3.89	–	–

43. Corporate Social Reporting

1) In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure are as follows :

Expenditure incurred on CSR activities :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Gross amount required to be spent by the Company during the year	8.60	3.70
Related Party transactions as per Ind AS 24 in relation to CSR expenditure	-	-
Provision made in relation to CSR expenditure	-	-

2) Amount Spent during the year on :

Sl. No.	Particulars	For the Year ended 31st March 2018			For the Year ended 31st March 2017		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
I	Construction/Acquisition of any asset	–	–	–	2.40	–	2.40
II	On purposes other than (i) above	5.62	–	5.62	5.91	–	5.91

44. There being uncertainties in realization from Insurance claims, the same are accounted for on settlement/realization.

45. Certain Trade Receivable, Loans and Advances and Trade Payable are subject to confirmation In the opinion of the management the value of Trade Receivables and Loans & Advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

46. 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).

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	–	–	–
(ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	–	–	–
(iii)	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act 2006.	–	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–	–
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006.	–	–	–

47. Capital Management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity / internal accruals and borrowings, both short term and long term. Net debt to Equity ratio is used to monitor capital.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Quantitative data			
Debt Equity ratio	**0.40**	**0.29**	**0.30**

48. Fair Value Management

i) Fair Value Measurement

The following table shows the carrying amount and fair values of financial assets and liabilities by category :

	March 31, 2018			March 31, 2017			April 1, 2016		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets (Non Current)									
(i) Investments									
- In Equity Instruments	8.65	–	–	8.00	–	–	4.60	–	–
(ii) Loans - Security Deposit	–	–	37.12	–	–	91.91	–	–	20.43
Total (a)	**8.65**	**–**	**37.12**	**8.00**	**–**	**91.91**	**4.60**	**–**	**20.43**
Financial Assets (Current)									
(i) Investments									
- In Mutual Funds	–	–	–	–	–	–	–	–	–
(ii) Trade Receivables	–	–	2,573.90	–	–	2,618.56	–	–	3,115.30
(iii) Cash & Cash Equivalents	–	–	115.36	–	–	37.91	–	–	97.86
(iv) Other Bank Balances	–	–	118.91	–	–	106.50	–	–	52.61
(v) Other Financial Assets	–	–	212.72	1.51	–	223.86	4.20	–	232.02
Total (b)	**–**	**–**	**3,020.89**	**1.51**	**–**	**2,986.83**	**4.20**	**–**	**3,497.79**
Total Financial assets (a+b)	**8.65**	**–**	**3,058.01**	**9.51**	**–**	**3,078.74**	**8.80**	**–**	**3,518.22**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

	March 31, 2018		March 31, 2017		April 1, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities (Non-Current)						
(i) Borrowings	–	974.94	–	191.06	–	338.22
(ii) Other Financial Liabilities	–	–	–	–	–	–
Total (a)	–	974.94	–	191.06	–	338.22
Financial Liabilities (Current)						
(i) Borrowings	–	5,330.79	–	4,199.80	–	4,104.53
(ii) Trade Payables	–	1,589.23	–	1,892.45	–	2,214.89
(iii) Other Financial Liabilities	0.02	935.34	–	1,072.68	–	1,041.28
Total (b)	0.02	7,855.36	–	7,164.93	–	7,360.70
Financial Liabilities (a+b)	**0.02**	**8,830.30**	–	**7,355.99**	–	**7,698.92**

ii) Fair Value of Financial Assets & Liabilities

The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost :

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Investments	0.00	0.00	0.00	0.00	0.00	0.00
Loans -Security Deposits	37.12	37.12	91.91	91.91	20.43	20.43
Trade Receivables	2,573.90	2,573.90	2,618.56	2,618.56	3,115.30	3,115.30
Cash and Cash Equivalents	115.36	115.36	37.91	37.91	97.86	97.86
Other Bank Balances	118.91	118.91	106.50	106.50	52.61	52.61
Other Financial Assets	212.72	212.72	223.86	223.86	232.02	232.02
Total Financial Assets	**3,058.01**	**3,058.01**	**3,078.74**	**3,078.74**	**3,518.22**	**3,518.22**
Financial Liabilities						
Long Term Borrowings	974.94	974.94	191.06	191.06	338.22	338.22
Short Term Borrowings	5,330.79	5,330.79	4,199.80	4,199.80	4,104.53	4,104.53
Trade Payables	1,589.23	1,589.23	1,892.45	1,892.45	2,214.89	2,214.89
Other Financial Liabilities	935.34	935.34	1,072.68	1,072.68	1,041.28	1,041.28
Total Financial Liabilities	**8,830.30**	**8,830.30**	**7,355.99**	**7,355.99**	**7,698.92**	**7,698.92**

The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximates their carrying value.

The following methods and assumptions were used to estimate the fair values :

(a) The investments being listed, the fair value has been taken at the market rates of the same on the reporting dates. They are classified as Level 1 fair values in the fair value hierarchy.

(b) The values of non current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

iii) Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels of fair value measurement as prescribed under the

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

Ins AS 113 "Fair Value Management". An explanation of each level follows underneath the tables :

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels

Level 1 : Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2 : Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is the case with listed instruments where market is not liquid and for unlisted instruments.

a) Assets and Liabilities measured at Fair Value - recurring fair value measurements :

Levels	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31st March, 2018			
Investment in Unquoted Equity Shares	-	-	0.02
Investment in Quoted Equity Shares	8.63	-	-
Forward Exchange Forward Contract (MTM)	-	-	-
As at 31st March, 2017			
Investment in Unquoted Equity Shares	-	-	0.02
Investment in Quoted Equity Shares	7.98	-	-
Forward Exchange Forward Contract (MTM)	-	1.51	-
1st April, 2016			
Investment in Unquoted Equity Shares	-	-	0.02
Investment in Quoted Equity Shares	4.58	-	-
Forward Exchange Forward Contract (MTM)	-	4.20	-

b) Financial Assets and Liabilities measured at Amortised Cost for which fair value are disclosed :

	March 31, 2018			March 31, 2017			April 1, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets (Non Current)									
(i) Investments									
(ii) Security Deposit	–	–	37.12	–	–	91.91	–	–	20.43
Total (a)	**–**	**–**	**37.12**	**–**	**–**	**91.91**	**–**	**–**	**20.43**
Financial Assets (Current)									
(i) Investments									
(ii) Trade Receivables	–	–	2,573.90	–	–	2,618.56	–	–	3,115.30
(iii) Cash & Cash Equivalents	–	–	115.36	–	–	37.91	–	–	97.86
(iv) Other Bank Balances	–	–	118.91	–	–	106.50	–	–	52.61
(v) Other Financial Assets	–	–	212.72	–	–	223.86	–	–	232.02
Total (b)	**–**	**–**	**3,020.89**	**–**	**–**	**2,986.83**	**–**	**–**	**3,497.79**
Total Financial assets (a+b)	**–**	**–**	**3,058.01**	**–**	**–**	**3,078.74**	**–**	**–**	**3,518.22**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

	March 31, 2018			March 31, 2017			April 1, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities (Non-Current)									
(i) Borrowings	–	–	974.94	–	–	191.06			338.22
(ii) Other Financial Liabilities	–	–	–	–	–	–			–
Total (a)	**–**	**–**	**974.94**	**–**	**–**	**191.06**	**–**	**–**	**338.22**
Financial Liabilities (Current)									
(i) Borrowings	-	-	5,330.79	-	-	4,199.80	-	-	4,104.53
(ii) Trade Payables	-	-	1,589.23	-	-	1,892.45	-	-	2,214.89
(iii) Other Financial Liabilities	-	-	935.34	-	-	1,072.68	-	-	1,041.28
Total (b)	**-**	**-**	**7,855.36**	**-**	**-**	**7,164.93**	**-**	**-**	**7,360.70**
Financial Liabilities (a+b)	**-**	**-**	**8,830.30**	**-**	**-**	**7,355.99**	**-**	**-**	**7,698.92**

During the year ended 31st March 2018 and 31st March 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

49. Financial risk management objectives and policies

The Company's activities expose it to the following risks :

a) Credit risk
b) Liquidity risk
c) Market risk

a) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

Trade receivables : Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in note 12.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans/internal accruals. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 years to 5 years	More than 5 years	Total
As at 31st March 2018						
Trade & Security Deposit	15.83	-	-	-	-	**15.83**
Borrowings -Non Current Portion	-	-	-	974.94	-	**974.94**
Borrowings - Current Portion	4,794.72	536.07	-	-	-	**5,330.79**
Other financial liabilities	-	210.12	679.23	-	-	**889.35**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 years to 5 years	More than 5 years	Total
Current Maturities of Long Term Debt	-	15.07	15.11	-	-	**30.18**
Trade payables	-	1,579.97	9.26	-	-	**1,589.23**
	4,810.55	**2,341.23**	**703.60**	**974.94**	**0.00**	**8,830.32**
As at 31st March 2017						
Trade & Security Deposit	15.83	-	-	-	-	**15.83**
Borrowings -Non Current Portion	-	-	-	191.06	-	**191.06**
Borrowings - Current Portion	3,953.40	246.40	-	-	-	**4,199.80**
Other current financial liabilities	-	260.64	654.98	-	-	**915.62**
Current Maturities of Long Term Debt	-	84.40	56.83	-	-	**141.23**
Trade payables	-	1,850.86	41.59	-	-	**1,892.45**
	3,969.23	**2,442.30**	**753.40**	**191.06**	**0.00**	**7,355.99**
As at 1st April 2016						
Trade & Security Deposit	15.83	-	-	-	-	**15.83**
Borrowings -Non Current Portion	-	-	-	338.22	-	**338.22**
Borrowings - Current Portion	3,508.85	595.68	-	-	-	**4,104.53**
Other current financial liabilities	-	234.07	615.08	-	-	**849.15**
Current Maturities of Long Term Debt	-	115.90	60.40	-	-	**176.30**
Trade payables	-	2,179.84	35.05	-	-	**2,214.89**
	3,524.68	**3,125.49**	**710.53**	**338.22**	**0.00**	**7,698.92**

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four type of risks: Commodity Price Risk, Foreign Exchange Risk, Interest Rate Risk and Other Price Risk.

1) **Commodity Price Risk :** The Company primarily imports raw jute , stores and spare items etc. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary.

2) **Foreign Currency Risk :** The Company has Foreign Currency Exchange Risk on imports of input materials, Capital Equipment(s) in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

The following table demonstrates the sensitivity in the US Dollars (USD); Euro (EUR) and Sterling Pound (GBP) to the Indian Rupee with all other variables held constant.

i) Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows :

Unhedged Foreign Currency Exposure

Particulars	As at 31st March, 2018					
	USD	INR	EUR	INR	GBP	INR
Financial Assets						
Trade Receivables	10,74,201	698.70	90,741	73.16	6,652	6.14
Financial Liabilities						
Buyers Credits	4,97,475	323.58	–	–	–	–
(Net Exposure)/Exposure in foreign currency	**(5,76,726)**	**(375.12)**	**90,741**	**73.16**	**6,652**	**6.14**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

Particulars	As at 31st March, 2017					
	USD	INR	EUR	INR	GBP	INR
Financial Assets						
Trade Receivables	54,653	35.44	23,688	16.40	34,747	28.10
Financial Liabilities						
(Net Exposure)/Exposure in foreign currency	**54,653**	**35.44**	**23,688**	**16.40**	**34,747**	**28.10**

* Unhedged Foreign Currency Exposure as on 01.04.2016 - NIL

ii) Hedged Foreign Currency Exposure

Particulars	As at 31st March, 2018					
	USD	INR	EUR	INR	GBP	INR
Derivative Assets						
Forward Contract against Trade Receivable	1,30,603	84.95	–	–	25,779	23.79
Derivative Liabilities						
(Net Exposure)/Exposure in foreign currency	**1,30,603**	**84.95**	**–**	**–**	**25,779**	**23.79**

Particulars	As at 31st March, 2017					
	USD	INR	EUR	INR	GBP	INR
Derivative Assets						
Forward Contract against Trade Receivable	1,32,926	86.19	40,722	28.20	19,250	15.57
Derivative Liabilities						
(Net Exposure)/Exposure in foreign currency	**1,32,926**	**86.19**	**40,722**	**28.20**	**19,250**	**15.57**

Particulars	As at 1st April, 2016					
	USD	INR	EUR	INR	GBP	INR
Derivative Assets						
Forward Contract against Trade Receivable	5,35,000	354.87	9,000	67.59	1,55,000	147.39
Derivative Liabilities						
(Net Exposure)/Exposure in foreign currency	**5,35,000**	**354.87**	**9,000**	**67.59**	**1,55,000**	**147.39**

Sensitivity Analysis

The Analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
USD Sensitivity (Increase)	5%	18.76	14.93	5%	1.77	1.19
USD Sensitivity (Decrease)	5%	(18.76)	(14.93)	5%	(1.77)	(1.19)
EUR Sensitivity (Increase)	5%	3.66	2.91	5%	0.82	0.55
EUR Sensitivity (Decrease)	5%	(3.66)	(2.91)	5%	(0.82)	(0.55)
GBP Sensitivity (Increase)	5%	0.31	0.24	5%	1.41	0.94
GBP Sensitivity (Decrease)	5%	(0.31)	(0.24)	5%	(1.41)	(0.94)

3) **Interest rate risk :** The fair value or future cash flows of a financial instrument fluctuates due to changes in market interest rates. The Company's exposure to the interest rate risk relates primarily to the Company's long-term debt obligations with floating interest rates.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

Exposure to interest rate risk

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed Rate Instruments			
Financial Assets	52.67	49.39	–
Financial Liabilities	–	–	–
Variable Rate Instruments			
Financial Assets			
Financial Liabilities	**6,335.91**	**4,532.09**	**4,619.05**

Interest rate sensitivity

A change in 100 bps in interest rate in reference to loans and borrowings taken with all other variables held constant would have following impact on PBT and Other Equity

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Interest Rate (Increase)	+100	(63.36)	(42.41)	+100	(45.32)	(30.34)
Interest Rate (Decrease)	-100	63.36	42.41	-100	45.32	30.34

4) **Other Price Risk :** The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the Balance Sheet at Fair Value through Profit and Loss. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the Company, fluctuation in their prices are considered acceptable and do not warrant any management.

Exposure to other market price risk

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in Equity Instruments	8.63	7.98	4.58

Sensitivity Analysis

The Analysis is based on assumption that the increase/decrease by 10% with all other variables held constant.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Market Rate (Increase)	+10%	0.86	0.58	+10%	0.80	0.53
Market Rate (Decrease)	-10%	(0.86)	(0.58)	-10%	(0.80)	(0.53)

50. The Board of Directors of the Company has recommended to pay a final dividend @ 20% (₹ 2.00 per share on Face Value of ₹ 10/) amounting to ₹ 215.46 lakhs (which will attract liability towards Dividend Distribution Tax amounting to ₹ 44.29 lakhs) subject to the approval of shareholders in the Annual General Meeting.

(₹ in lakhs)

51. Transition to Ind AS

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with generally accepted accounting principles in India (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1st April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP financial statements as at 1st April 2016 and the financial statements as at and for the year ended 31st March 2017.

Exceptions and Exemptions Applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain Ind AS, effective for 1st April, 2016 opening balance sheet. In preparing these Standalone financial statements, the Company has applied the below mentioned mandatory exceptions and optional exemptions.

I. Applicable Mandatory Exceptions

(i) Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to IND AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period. The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried at amortized cost.

(ii) Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

II. Optional Exemptions Availed

(i) Property Plant and Equipment and Intangible Assets

The company has elected to measure items of Property Plant & Equipment and Intangible Assets at its carrying value at the Transition Date except for land which is measured at fair value as deemed cost.

(ii) Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transitional provision and has assessed all the arrangements at the date of transition.

(iii) Investments in Subsidiaries

As permitted by para D14 & D15 of Ind AS 101, the Company has elected to measure the investments in equity shares of subsidiaries at Deemed Cost calculated at the previous GAAP carrying amount as on the date of transition, as the company has elected to measure such investments at Cost under Ind AS 27 "Separate Financial Statements".

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

52. Transition to Ind AS and Reconciliations

(i) Reconciliation of material items of Balance Sheet as at 1st April 2016 (Transition Date) and as at 31st March 2017

	Particulars	Notes	As at March 31, 2017 (End of Last Period presented under previous GAAP)			As at April 1, 2016 (Date of Transition)		
			Previous GAAP as at 31.03.2017	Effect of Transition to Ind AS	As per Ind AS as at 31.03.17	Previous GAAP as at 31.03.2016	Effect of Transition to Ind AS	As per Ind AS as at 01.04.2016
I)	ASSETS							
1)	NON CURRENT ASSETS							
	a) Property, plant and equipment	I	2,989.74	11,177.47	14,167.21	2,573.21	11,185.66	13,758.87
	b) Capital Work in Progress		112.55	-	112.55	83.40	-	83.40
	c) Goodwill		(1)	-	(1)	(1)	-	(1)
	d) Investment in Subsidiaries		113.87	-	113.87	113.87	-	113.87
	e) Financial Assets		-	-	-	-	-	-
	(i) Investment	III	1.68	6.32	8.00	1.73	2.87	4.60
	(ii) Loans	V, VI	93.32	(1.41)	91.91	22.26	(1.83)	20.43
	f) Non Current Tax assets		21.26	-	21.26	21.03	-	21.03
	g) Other non-current assets	VI	192.34	0.79	193.13	72.20	1.24	73.44
			3,524.76	**11,183.17**	**14,707.93**	**2,887.70**	**11,187.94**	**14,075.64**
2)	CURRENT ASSETS							
	a) Inventories	VIII	5,925.94	(1.04)	5,924.90	6,206.26	(4.50)	6,201.76
	b) Financial assets							
	(i) Trade receivables	X	2,372.16	246.40	2,618.56	2,519.62	595.68	3,115.30
	(ii) Cash and cash equivalents		37.91	-	37.91	97.86	-	97.86
	(iii) Bank Balances other than Note No. (ii) above		106.50	-	106.50	52.61	-	52.61
	(iv) Other financial assets	V, IX	223.86	1.51	225.37	232.02	4.20	236.22
	c) Other current assets	VI, IX	422.00	4.52	426.52	385.05	0.45	385.50
			9,088.37	**251.39**	**9,339.76**	**9,493.42**	**595.83**	**10,089.25**
	TOTAL ASSETS		**12,613.13**	**11,434.56**	**24,047.69**	**12,381.12**	**11,783.77**	**24,164.89**
II)	EQUITY AND LIABILITIES							
1)	EQUITY							
	a) Equity Share Capital		1,079.77	-	1,079.77	1,079.77	-	1,079.77
	b) Other Equity		3,624.78	11,122.17	14,746.95	2,887.48	11,310.11	14,197.59
	TOTAL EQUITY		**4,704.55**	**11,122.17**	**15,826.72**	**3,967.25**	**11,310.11**	**15,277.36**
2)	LIABILITIES							
i)	NON-CURRENT LIABILITIES							
	a) Financial liabilities							
	(i) Borrowings	II	197.33	(6.27)	191.06	342.06	(3.84)	338.22
	b) Provisions		154.87	-	154.87	146.19	-	146.19
	c) Deferred tax liabilities (Net)	XI	108.44	4.73	113.17	61.28	5.61	66.89
	d) Non-Current Tax Liabilities (Net)		30.16	-	30.16	-	-	-
	e) Other Non-current liabilities	VII	-	46.05	46.05	-	48.08	48.08
			490.80	**44.51**	**535.31**	**549.53**	**49.85**	**599.38**
ii)	CURRENT LIABILITIES							
	a) Financial liabilities							
	(i) Borrowings	II	3,953.40	246.40	4,199.80	3,508.85	595.68	4,104.53
	(ii) Trade payables							
	Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		1,892.45	-	1,892.45	2,214.89	-	2,214.89
	(iii) Other financial liabilities	II, V	1,070.24	2.44	1,072.68	1,042.36	(1.08)	1,041.28
	b) Other current liabilities	VII	244.84	19.04	263.88	255.22	23.70	278.92
	c) Provisions		212.39	-	212.39	770.51	(194.49)	576.02
	d) Current Tax Liabilities (Net)		44.46	-	44.46	72.51	-	72.51
			7,417.78	**267.88**	**7,685.66**	**7,864.34**	**423.81**	**8,288.15**
	TOTAL LIABILITIES		**7,908.58**	**312.39**	**8,220.97**	**8,413.87**	**473.66**	**8,887.53**
	TOTAL EQUITY AND LIABILITIES		**12,613.13**	**11,434.56**	**24,047.69**	**12,381.12**	**11,783.77**	**24,164.89**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

52. (ii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	Notes	Previous GAAP For the year ended 31st March, 2017	Effect of Transition to Ind AS	IND AS For the year ended 31st March, 2017
I)	**Income**				
	Revenue from Operations	V	35,598.05	345.65	35,943.70
	Other Income	III, VI, VII, IX	126.17	33.80	159.97
	Total Income (I)		**35,724.22**	**379.45**	**36,103.67**
II)	**Expenses**				
	Cost of Materials Consumed		20,408.94	-	20,408.94
	Changes in Inventories of Finished Goods, Work In Progress		(225.72)	-	(225.72)
	Employee benefits expense	V	8,031.43	103.39	8,134.82
	Finance Costs	II	283.49	1.08	284.57
	Depreciation and amortization expense	I, VII	501.74	29.61	531.35
	Excise Duty(Cess)	V	-	345.65	345.65
	Other expenses	VIII, VI	5,619.68	(2.58)	5,617.10
	Total Expenses (II)		**34,619.56**	**477.15**	**35,096.71**
III)	**Profit before Taxation (I-II)**		**1,104.66**	**(97.70)**	**1,006.96**
IV)	**Tax Expenses**				
	Current Tax		320.20	-	320.20
	Deferred Tax	XI	47.16	(35.06)	12.10
	I. Tax for earlier years		-	-	-
	Total Tax Expenses (IV)		**367.36**	**(35.06)**	**332.30**
V)	**Profit for the year (III-IV)**		**737.30**	**(62.64)**	**674.66**
VI)	Other Comprehensive Income (OCI)				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
	Re-Measurement gains/(losses) on defined benefit plans		-	103.39	103.39
	Income tax effect on above		-	(34.19)	(34.19)
	Other Comprehensive Income for the year, net of tax		**-**	**69.20**	**69.20**
VII)	**Total Comprehensive Income for the year (V+VI)**		**737.30**	**6.56**	**743.86**

52. (iii) Reconciliation of Total Equity as on March 31, 2017 and April 1, 2016

Particulars	Note on First Time Adoption	As at March 31, 2017 (End of Last Period presented under previous GAAP)	As at April 1 , 2016 (Date of Transition)
Equity under Previous Indian GAAP		4,704.55	3,967.25
On account of Fair Valuation of Land	I	11,095.66	11,095.66
On account of Amortization of Processing Fees on Long-Term Borrowings as per EIR Method	II	3.83	4.91
On account of measuring Investments at Fair Value	III	6.31	2.87
Reversal of Proposed Dividend & Dividend Distribution Tax	IV	-	194.50
On account of Fair valuation of Security Deposits	VI	(0.16)	(0.13)
On account of Government Grant accounting as Deferred Revenue	VII	13.18	12.04
On account of Capitalisation of Stores and Spares under PPE	VIII	2.50	(2.40)
On account of Forward Contract	IX	5.58	8.27
Deferred Tax Impact on the above	XI	(4.73)	(5.61)
Total Adjustment to Equity		**11,122.17**	**11,310.11**
Total Equity under Ind-AS		**15,826.72**	**15,277.36**

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

52. (iv) Notes to the reconciliation of Balance Sheet & Equity as at April 1, 2016 and March 31, 2017 and Profit or Loss for the year ended March 31, 2017.

Explanations to the material adjustments made in the process of Ind AS transition from previous GAAP

I) **Fair Valuation as deemed Cost for Property Plant & Equipment**

The Company have considered fair value for one item property i.e. Land measuring 149.48 acres situated in Chengail, Howrah, West Bengal in India with favourable impact of ₹ 11095.66 lakhs in accordance with stipulations of Ind AS 101 with the resultant impact of accumulation in reserves.

II) **Long term borrowings**

Under Indian GAAP, the Company accounted for long term borrowings measured at transaction value. Under IND AS, the Company has recognised the long term borrowings at amortised cost using effective interest rate (EIR).

III) **Fair Valuation of Financial Instruments**

Under the Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments(other than equity instruments designated at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2017.

IV) **Proposed Dividend & Dividend Distribution Tax**

Under Indian GAAP till F.Y. 2015-16 proposed dividends including Dividend Distribution Taxes (DDT) were recognized as a liability in the period to which they relate, irrespective of when they were declared. Under Ind AS, a proposed dividend is recognized as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

Since declaration of dividend occurs after period end in the Company, the Provision for proposed dividend has been derecognized against retained earnings on 1st April 2016 and Liabilities recognized in the year ended 31st March 2017.

V) **Re-classifications**

a) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.

b) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.

c) Jute Manufacturing Cess on sales was earlier netted off with Sales, now have been presented separately.

VI) **Leases**

a) Under Ind AS, where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, straight lining of lease is not required. The same was required under AS-19. The Company has initially recognised security deposit paid to the lessor at fair value and subsequently at amortised cost as per Ind AS 109.

VII) **Deferred Revenue**

Under Indian GAAP, grants received from government agencies against specific fixed assets (Property, Plant and Equipment) are adjusted to the cost of the assets. Under Ind AS the same has been presented as deferred revenue being amortised in the statement of profit & loss on a systematic basis.

VIII) **Stores and Spares**

The Company accounted for certain spares which are capable of being used for more than one accounting period or which can be used specifically only in combination with another fixed assets as part of inventories under IGAAP. Under Ind AS, any asset which satisfies the criteria of Ind AS 16 mentioned above needs to be accounted for as a part of Property, plant and equipment. Accordingly, the Company has done an assessment of the relevant inventory and reclassified such items from inventory to Property, plant and equipment.

IX) **Forward Contract**

Under Ind AS mark to market gain/loss on restatement of forward contract as at the reporting date has been recognized in the statement of profit & loss.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

X) **Bill Discounting**

Under IGAAP, trade receivables derecognised by way of bills of exchange were shown as contingent liability since there was a recourse clause. Under Ind AS, the trade receivable have been restated with corresponding recognition of short term borrowings of ₹ 246.40 as on 31st March, 2017 and ₹ 595.68 as on 1st April, 2016.

XI) **Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

53. Previous GAAP figures have been reclassified/regrouped to conform the presentation requirements under Ind AS and the requirements laid down in division - II of the Schedule - III of the Companies Act, 2013.

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.
For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No - 318086E

For and on behalf of the Board

SUPRIO GHATAK	**R. K. Gupta**	**Madhuri Pandey**	**Ajay Todi**	**R. V. Kanoria**
Partner	*Chief Financial Officer*	*Company Secretary*	*Managing Director*	*Non-Executive Chairman*
Membership No. 051889			DIN - 00004380	DIN - 00003792
5A, Nandlal Jew Road, Kolkata - 700026				
The 7th day of May, 2018				

INDEPENDENT AUDITORS' REPORT

To The Members of

Ludlow Jute & Specialities Limited

REPORT ON THE CONSOLIDATED INDIAN ACCOUNTING STANDARDS(IND AS)FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS 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 the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards(Ind AS) prescribed under section 133 of the Act. 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 judgements 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS 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 of the consolidated Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS 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, 2018, and their consolidated profit (including consolidated total comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTERS

a) We have not audited the financial statements of two (2) Indian subsidiaries whose financial statements reflect total assets of ₹ 250.92 lakhs and net assets of ₹ 250.27 lakhs as at 31st March 2018, total revenues of ₹ 13.36 lakhs and net cash inflow amounting to ₹ 2.13 lakhs for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect

INDEPENDENT AUDITORS' REPORT

of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b) The comparative financial information for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 in respect of the above-mentioned subsidiaries, included in this consolidated Ind AS financial statement, prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries referred to in the Other Matters paragraph above, we report, to the extent applicable,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 Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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 (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the directors of the Group Companies are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company and subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company and subsidiaries internal financial controls over financial reporting.

g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 40 (i) (a) & (b) to the consolidated Ind AS financial statements;

    ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

    iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

Supriyo Ghatak
Partner
Membership No. 051889

Place: Kolkata
Date : 7th May, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditor's Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of M/s LUDLOW JUTE & SPECIALITIES LIMITED for the year ended 31stMarch 2018, we report that :

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of the Holding Company. Based on the comments made by the Independent Auditors of the Subsidiaries (covered entities) with respect to the internal financial controls over financial reporting as required in terms of sub-section (3) (i) of Section 143 of the Act, we report as under:

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Respective Board of Directors of the Holding Company and the covered entities are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's and covered entities' internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its subsidiaries have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two (2) subsidiaries, is based on the corresponding reports of the auditors of such companies.

For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 318086E

Supriyo Ghatak
Partner
Membership No. 051889

Place: Kolkata
Date : 7th May, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
1) NON CURRENT ASSETS				
a) Property, plant and equipment	4	14,611.67	14,213.85	13,806.75
b) Capital Work in Progress	5	331.09	112.55	83.40
c) Other Intangible Assets	6	(1.00)	(1.00)	(1.00)
d) Financial Assets				
(i) Investment	7	8.65	8.00	4.60
(ii) Loans	8	37.12	91.91	20.43
(iii) Other Financial Assets	9	–	–	95.00
e) Non -Current Tax Assets	10	1.04	21.26	21.03
f) Other non-current assets	11	541.52	193.13	73.44
		15,531.09	**14,640.70**	**14,104.65**
2) CURRENT ASSETS				
a) Inventories	12	6,276.04	5,924.90	6,201.76
b) Financial assets				
(i) Trade receivables	13	2,573.90	2,618.56	3,115.30
(ii) Cash and cash equivalents	14	318.11	238.53	198.77
(iii) Bank Balances other than Note No. 14 above	14.1	118.91	106.50	52.61
(iv) Other financial assets	15	214.30	225.86	236.72
c) Other current assets	16	711.29	426.55	385.53
d) Current Tax assets (Net)	17	1.08	0.81	1.94
		10,213.63	**9,541.71**	**10,192.63**
TOTAL ASSETS		**25,744.72**	**24,182.41**	**24,297.28**
II. EQUITY AND LIABILITIES				
1) EQUITY				
a) Equity Share Capital	18	1,079.77	1,079.77	1,079.77
b) Other Equity	19	14,817.46	14,784.86	14,233.05
Equity attributable to equity holders of the parent		15,897.23	15,864.63	15,312.82
c) Non controlling Interest		96.68	96.05	94.98
TOTAL EQUITY		**15,993.91**	**15,960.68**	**15,407.80**
2) LIABILITIES				
i) NON-CURRENT LIABILITIES				
a) Financial liabilities				
(i) Borrowings	20	974.94	191.06	338.22
b) Provisions	21	173.53	154.87	146.19
c) Deferred tax liabilities (Net)	22	201.17	113.17	66.89
d) Non- Current Tax Liabilities (Net)	23	38.80	30.15	-
e) Other Non-current liabilities	24	53.66	46.05	48.08
		1,442.10	**535.30**	**599.38**
ii) CURRENT LIABILITIES				
a) Financial liabilities				
(i) Borrowings	25	5,330.79	4,199.80	4,104.53
(ii) Trade payables				
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	26	1,589.50	1,892.66	2,215.08
(iii) Other financial liabilities	27	935.36	1,072.68	1,041.28
b) Other current liabilities	28	314.01	263.88	278.92
c) Provisions	29	94.21	212.39	576.02
d) Current Tax Liabilities (Net)	30	44.84	45.02	74.27
		8,308.71	**7,686.43**	**8,290.10**
TOTAL LIABILITIES		**9,750.81**	**8,221.73**	**8,889.48**
TOTAL EQUITY AND LIABILITIES		**25,744.72**	**24,182.41**	**24,297.28**
Corporate & General Information	1			
Basis of Accounting	2			
Significant Accounting Policies & Significant Judgements and Key Estimates	3			

The Accompanying Notes are an integral part of the Financial Statements
As per our Report annexed.
For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No - 318086E

For and on behalf of the Board

SUPRIO GHATAK
Partner
Membership No. 051889
5A, Nandlal Jew Road, Kolkata - 700026
The 7th day of May, 2018

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

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, 2018

(₹ in Lakhs)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I)	**Income**			
	Revenue from Operations	31	33,373.75	35,943.70
	Other Income	32	361.76	174.83
	Total Income (I)		**33,735.51**	**36,118.53**
II)	**Expenses**			
	Cost of Materials Consumed	33	18,407.96	20,408.94
	Changes in Inventories of Finished Goods and Work In Progress	34	28.03	(225.72)
	Employee benefits expense	35	8,298.90	8,138.55
	Finance Costs	36	418.21	284.57
	Depreciation and amortization expense	37	524.38	532.58
	Jute Manufacturing Cess		77.00	345.65
	Other expenses	38	5,681.02	5,621.61
	Total Expenses (II)		**33,435.50**	**35,106.18**
III)	**Profit before Taxation (I-II)**		**300.01**	**1,012.35**
IV)	**Tax Expenses**	39		
	Current Tax		115.98	321.96
	Deferred Tax		1.25	12.10
	For Earlier years		1.00	0.12
	Total Tax Expenses (IV)		**118.23**	**334.18**
V)	**Profit for the year before share in profit of non controlling interest (III-IV)**		**181.78**	**678.17**
	Profit attributable to :			
	Owners of the parent		181.15	677.10
	Non Controlling Interest		0.63	1.07
VI)	**Other Comprehensive Income (OCI)**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
	Re-Measurement gains/(losses) on defined benefit plans		262.36	103.39
	Income tax effect on above		(86.75)	(34.19)
	Other Comprehensive Income for the year, net of tax		**175.61**	**69.20**
	Other Comprehensive Income attributable to :			
	Owners of the parent		**175.61**	**69.20**
	Non Controlling Interest		–	–
VII)	**Total Comprehensive Income for the year (V+VI)**		**357.39**	**747.37**
	Total Comprehensive Income attributable to :			
	Owners of the parent		356.76	746.30
	Non Controlling Interest		0.63	1.07
	Earnings per share - Basic and Diluted (in INR)	42	**1.69**	**6.32**
	Corporate & General Information	1		
	Basis of Accounting	2		
	Significant Accounting Policies & Significant Judgements and Key Estimates	3		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.
For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No - 318086E

For and on behalf of the Board

SUPRIO GHATAK
Partner
Membership No. 051889
5A, Nandlal Jew Road, Kolkata - 700026
The 7th day of May, 2018

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Particulars	For the year ended 31-March-18	For the year ended 31-March-17
A:	**Cash Flow From Operating Activities**		
	Net Profit Before Taxes as per Statement of Profit and Loss	300.01	1,012.35
	Adjustments For :		
	Depreciation / Amortisation (Net)	524.38	532.58
	(Profit)/Loss on Sale/discard of PPE	(10.33)	(12.17)
	Finance Cost	418.21	284.57
	Excess Depreciation Written Back	(0.17)	–
	Bad Debt Written Off	22.84	69.22
	Provision for Bad Debt	10.00	–
	Provision for Diminution in value of Investment written back	(0.91)	–
	Interest Income	(21.51)	(18.30)
	Income on Government Grant	(23.24)	(31.07)
	Net gain on fair value changes on equity instrument	(0.67)	(3.40)
	Dividend received on non current investments	(0.05)	(0.04)
	Excess Liability Written Back	(68.54)	–
	Operating Profit Before Working Capital Changes	**1,150.02**	**1,833.74**
	Movements in Working Capital :		
	Decrease / (Increase) in Inventories	(351.14)	276.86
	Decrease / (Increase) in Trade receivables	11.83	206.19
	Decrease / (Increase) in Other receivables and prepayments	(241.10)	–
	Decrease / Increase in Trade and other payables	(342.78)	(303.73)
	(Decrease) / Increase in provisions	162.84	(251.56)
	Cash generated from Operating Activities	389.67	1,761.50
	Direct Taxes paid (net of refunds)	(88.56)	(320.28)
	Net Cash generated/(used) from Operating Activities	**301.11**	**1,441.22**
B:	**Cash Flow From Investing Activities**		
	Purchase of PPE including CWIP and Capital Advances	(1,474.28)	(1,002.23)
	Sale of Property, Plant and equipment	19.47	45.56
	Grant / Subsidy Received	25.77	20.30
	Amount deposited as margin money / security	(3.29)	(49.39)
	Investment in fixed deposit having maturity more than 3 months (net)	–	95.00
	Interest Received	20.42	18.31
	Dividend Received	0.05	0.04
	Net Cash generated/(used) in Investing Activities	(1,411.86)	(872.41)
C:	**Cash Flow From Financing Activities**		
	Proceeds / (Repayment)from long term borrowings (Net)	783.88	(147.16)
	Proceeds / (Repayment)from short term borrowings (Net)	1,130.99	95.27
	Interest paid	(400.38)	(282.66)
	Dividend Paid	(269.33)	(161.60)
	Corporate Dividend Tax Paid	(54.83)	(32.90)
	Net Cash generated/(used) from Financing Activities	1,190.33	(529.05)
	Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	79.58	39.76
	Cash and Cash Equivalents as at the beginning of the year	238.53	198.77
	Cash and Cash Equivalents as at the end of the year	**318.11**	**238.53**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

Particulars	For the year ended 31-March-18	For the year ended 31-March-17
Components of cash and cash equivalents		
Balance with Banks:		
In Current Accounts	47.33	14.20
In EEFC Account	68.08	21.07
Deposits with original maturity of less than three months	195.00	195.60
Cash on hand	7.70	7.66
Cash and Cash Equivalents (Refer Note 14)	318.11	238.53

Statement of Reconciliation of Financing Activity

Particulars	Liabilities from financing activities	
	Term Loan from Banks	Current Borrowings
Balance as at April 01, 2017	191.06	4,199.80
Interest accrued and due as at April 01, 2017	-	7.20
Cash Flow (Net)	783.88	1,130.99
Non Cash Changes		
Fair Value Changes	-	-
Others*	3.37	-
Interest Expense	30.74	384.10
Interest Paid	(34.11)	(366.27)
Balance as at March 31, 2018		
Principal	974.94	5,330.79
Interest accrued and due	-	25.03
	974.94	5,355.82

* Represents amortisation of debt issuance cost relating to Term Loan

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.
For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No - 318086E

For and on behalf of the Board

SUPRIO GHATAK
Partner
Membership No. 051889
5A, Nandlal Jew Road, Kolkata - 700026
The 7th day of May, 2018

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

A) Equity Share Capital

(₹ in lakhs)

Balance as at 1st April, 2016	1079.77
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2017	1079.77
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2018	**1079.77**

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus					Item of other Comprehensive Income	Total attributable to Owners of the Company	Attributable to Non Controlling Interest	Total
	Securities Premium Account	General Reserve	Capital Redemption Reserve	Capital Reserve on Consolidation	Retained Earnings (Net of Deferred Tax)	Re–Measurement of defined benefit plans			
Balance as at April 1, 2016	**585.96**	**324.84**	**8.36**	**3.76**	**13,310.14**	**–**	**14,233.05**	**94.98**	**14,328.03**
Profit for the year	–	–	–	–	677.10	–	677.10	1.07	**678.17**
Final Dividend on Equity Shares(FY 2015–16)	–	–	–	–	(161.60)	–	(161.60)	–	**(161.60)**
Dividend Distribution Tax on Final Dividend	–	–	–	–	(32.90)	–	(32.90)	–	**(32.90)**
ReMeasurement of Defined Benefit Obligations (net of tax)	–	–	–	–	–	69.20	69.20	–	**69.20**
Transfer from Other Comprehensive Income to Retained Earnings	–	–	–	–	69.20	(69.20)	–	–	**–**
Balance as at March 31, 2017	**585.96**	**324.84**	**8.36**	**3.76**	**13,861.94**	**–**	**14,784.86**	**96.05**	**14,880.91**
Profit for the year	–	–	–	–	181.15	–	181.15	0.63	**181.78**
Final Dividend on Equity Shares (Fy 2016–17)	–	–	–	–	(269.33)	–	(269.33)	–	**(269.33)**
Dividend Distribution Tax on Final Dividend	–	–	–	–	(54.83)	–	(54.83)	–	**(54.83)**
ReMeasurement of Defined Benefit Obligations (net of tax)	–	–	–	–		175.61	175.61	–	**175.61**
Transfer from Other Comprehensive Income to Retained Earnings	–	–	–	–	175.61	(175.61)	–	–	**–**
Balance as at March 31, 2018	**585.96**	**324.84**	**8.36**	**3.76**	**13,894.54**	**–**	**14,817.46**	**96.68**	**14,914.14**

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.
For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No - 318086E

For and on behalf of the Board

SUPRIO GHATAK
Partner
Membership No. 051889
5A, Nandlal Jew Road, Kolkata - 700026
The 7th day of May, 2018

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

1 CORPORATE AND GENERAL INFORMATION

Ludlow Jute & Specialities Limited, which has remained in the forefront of product innovation and technological breakthroughs was built by Ludlow Corp. of the U.S.A on the bank of the river Hooghly at Chengail in Howrah district of West Bengal. The management has been making adequate investment in modernization and installation of specialized equipment, but it also has heralded the introduction of a number of value added products as the blending of jute with other natural/manmade fibres. Ludlow has developed products like Jute Mesh/Scrim for Roofing Felt, Agriculture, Horticulture and Webbing for Furniture Industry, Rubber Bonded jute cloth for Landscaping, special fabrics for Furnishing and Apparel, Soil Saver known as Geo-textile and Carpet-backing Cloth. The Parent Company, its subsidiaries and associates together referred as "the Company" or "the Group".

2 BASIS OF ACCOUNTING

2.1 Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards ("Ind- AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standard) Amendment Rules, 2016 and other accounting principles generally accepted in India.

The financial Statements for all periods up to and including the year ended 31st March 2017, were prepared in accordance with the accounting standards notified under Section 133 of the Companies Act 2013, read with Rule 7 of The Companies (Accounts) Rules, 2014,the Companies Act, 2013 and in accordance with the Generally Accounting Principal in India.

These financial statements for the year ended 31st March 2018 are the first the Company has prepared in accordance with Indian Accounting Standards ("Ind-AS"). Further, in accordance with the Rules, the Company has restated its Balance Sheet as at 1st April 2016 also as per Ind-AS. For preparation of opening balance sheet under Ind-AS as at 1st April , 2016, the Company has availed exemptions and first time adoption policies in accordance with Ind-AS 101 "First-time Adoption of Indian Accounting Standards", the details of which have been explained thereof in the "Notes to the reconciliation of Balance Sheet & Equity as at 1st April, 2016 and March 31st, 2017 and Profit or Loss for the year ended March 31st, 2017." (Refer note 55 (iv)).

2.2 Basis of Measurement

The financial statements have been prepared on historical cost convention on accrual basis except for following assets and liabilities which have been measured at fair value or revalued amount :

(i) Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;

(ii) Plan assets under defined benefit plans - Measured at fair value.

(iii) Property Plant and Equipment being Land-Measured at Fair Value.

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Group's functional currency. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4 Use of Estimates and Judgements

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 prospectively in which the results are known/ materialized.

2.5 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1"Presentation of Financial Statements". The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

3 Basis of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income ("OCI") of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31st March 2018. The Group consolidates the financial statements of the parent and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent and the non-controlling interest based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

a. Property, plant and equipment, Recognition, Measurement

i) Property, plant and equipment, except Freehold Land, held for use in the production and/or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).

ii) Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met and any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.

iii) In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost or present value of estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

iv) 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.

v) Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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

vii) The Group identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

On transition to IND AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment (recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost except Freehold land which has been valued at its "Fair Value".

Subsequent Expenditure

i) Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

ii) Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

b. Depreciation on Property, plant and equipment

i) Depreciation on property, plant and equipment is provided under Straight Line Method at rates based on the estimated useful lives of assets prescribed by Schedule II to the Companies Act, 2013.

ii) Depreciation in respect of property, plant and equipment added / disposed off during the year is provided on pro-rata basis, with reference to the date of addition/disposal.

c. Intangible Assets

i) Intangible assets being Goodwill acquired separately are measured on initial recognition at cost. Such assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

ii) Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Other Intangible assets are amortised on straight line basis over its estimated useful life. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

iii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost.

d. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangements is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangement enteres prior to the date of transition, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

i) Finance leases :

<u>In the books of lessee</u>

A. Lease where the Company has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance leases are capitalised at the commencement of the lease at the lower of the fair value or the present value of Minimum lease payments and a liability is created for an equivalent period. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

<u>In the books of lessor</u>

B. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

ii) **Operating Leases :**

In the books of lessee

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

In the books of lessor

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised based on a straight line basis over the term of the relevant lease.

e. Borrowing Costs

Borrowing costs (including other ancillary borrowing cost) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

f. Foreign Currency Transactions

Functional currency

The functional currency of the Company is Indian Rupees ('INR'). These financial statements are presented in Indian Rupees and all the values are rounded to the nearest lakhs, except otherwise indicated.

Transactions and translations

Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

g. Inventories

Inventories are valued at Cost or Net Realizable Value, whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on weighted average basis. Net Realizable Value is the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated cost necessary to make the sale. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

h. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

(i) Sale of Goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

(ii) Dividend income

Dividend incomes from investments are recognized when the Group's right to receive the payment of the same is established by the Balance Sheet date.

(iii) Interest Income

Interest income from financial assets is recognised using effective interest rate method (EIR).

(iv) Export Incentives

Export incentive and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received.

i. Government Grant

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants are recognised in the statement of profit or loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate. Capital grant received from sponsors for construction of specific asset are recognised as deferred revenue in the Balance Sheet and transferred to the profit or loss on a systematic and rational basis over the useful lives of the related asset.

j. Income Taxes

Taxes on Income comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax expense is also recognized in other comprehensive income or directly in equity, respectively.

i) Current Tax

Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

ii) Deferred Tax

Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will not be available.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

k. Earnings per Share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

l. Provisions, Contingent Liability & Contingent Assets

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economics benefits is remote. A contingent asset is neither recognized nor disclosed.

m. Cash flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

n. Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement/ balance sheet comprise of cash and cheques on hand, cash at bank including short term deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

o. Retirement and other employee benefits

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the Provident fund. Contribution payable to the provident fund is recognised as an expenditure in the statement of profit and loss.

(ii) The Company's obligation towards gratuity, a defined benefit employee retirement scheme is recognized on the basis of period end actuarial valuation determined under the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

(iii) Short term compensated absences are provided for based on estimates. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the unit projected credit method at the end of each financial year.

p. Financial Instruments

Financial Assets :

A. Initial recognition and measurement

All financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

B. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories :

(a) Measured at Amortized Cost;

(b) Measured at Fair Value Through Other Comprehensive Income (FVTOCI);

(c) Measured at Fair Value Through Profit or Loss (FVTPL); and

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

a) Financial assets carried at amortised cost (AC)

A debt instrument is measured at the amortized cost if both the following conditions are met:

i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

A debt instrument is measured at the FVTOCI if both the following conditions are met:

i) The objective of the business model is achieved by both collecting contractual cash flows and/or selling the financial assets; and

ii) The asset's contractual cash flows represent SPPI.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

c) Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

d) Derecognition

The Group derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

e) Impairment of Financial Assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss , except for those equity investments for which the Company has elected to present the value changes in "Other Comprehensive Income".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

Financial Liabilities :

A. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

B. Subsequent measurement

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

C. Financial Guarantee Contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of IND AS 109 and the amount recognized less cumulative amortization.

D. Derivative financial instruments

The Group enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to interest rate and foreign exchange rate risks. The Group does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

E. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

F. Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business, and in the event of default, insolvency or bankruptcy of the counterparty.

q. MEASUREMENT OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Group considering the requirements of IND As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

r. Standards not yet effective

i) **Ind AS 115-Revenue from Contracts with Customers**-The Ministry of Corporate Affairs (MCA) on March 28, 2018 has notified new Indian Accounting Standard as mentioned above .The new standard will come to into force from accounting period commencing on or after April 01, 2018.It replaces existing recognition guidance, including IND AS 18 Revenue and Ind AS 11 Construction contract. The standard is likely to affect the measurement, recognition and disclosure of revenue. The Company has evaluated and there is no material impact of this amendment on the Financial Statement of the Company except disclosure. The Company will adopt the Ind AS 115 on the required effective date.

ii) **Ind AS 21 - The Effect of Changes in Foreign Exchange Rates** - The amendments to Ind AS 21 addresses issue to determine the date of transactions for the purpose of determining the exchange rate to be used on initial recognition of related assets, expenses or income when entity has received or paid advances in foreign currencies by incorporating the same in Appendix B to Ind AS 21. The amendment will come into force from accounting period commencing on or after April 01, 2018. The Company has evaluated this amendment and impact of this amendment will not be material.

s. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

i) **Recognition of Deferred Tax Assets :** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

ii) **Useful lives of depreciable/ amortisable assets (tangible and intangible)** : Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.

iii) **Defined Benefit Obligation (DBO) :** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, anticipation of future salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

iv) **Provisions and Contingencies :** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

v) **Impairment of Financial Assets :** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

4. Property, Plant & Equipment

(₹ in lakhs)

Particulars	Gross Carrying Value				Depreciation/Amortisation				Net Carrying Value
	As at 1.04.2017*	Additions	Sale/ Disposal	As at 31st March, 2018	As at 1.04.2017	during the year	Sale/ Disposal	As at 31st March, 2018	As at 31st March, 2018
Freehold Land	11,176.44	–	–	11,176.44	–	–	–	–	11176.44
Buildings	1,747.05	126.90	–	1,873.95	1,389.78	17.85	–	1,407.63	466.32
Plant & Machinery	9,389.57	755.09	22.10	10,122.56	6,857.94	468.79	12.97	7,313.76	2808.80
Vehicles	349.35	31.05	–	380.40	280.60	20.80	–	301.40	79.00
Furniture And Fittings	63.40	8.08	–	71.48	43.35	13.21	–	56.56	14.92
Office Equipments	193.89	10.21	–	204.10	134.18	3.73	–	137.91	66.19
Grand Total	**22,919.70**	**931.33**	**22.10**	**23,828.93**	**8,705.85**	**524.38**	**12.97**	**9,217.26**	**14,611.67**

Particulars		Gross Carrying Value				Depreciation/Amortisation			Net Carrying Value
	As at 1.04.2016*	Additions	Sale/ Disposal*	As at 31st March, 2017	As at 1.04.16	During the year	Sale/ Disposal	As at 31st March, 2017	As at 31st March, 2017
Freehold Land	11,176.44	–	–	11,176.44	–	–	–	–	11,176.44
Buildings	1,683.40	63.65	–	1,747.05	1,374.86	14.92	–	1,389.78	357.27
Plant & Machinery	8,549.11	857.58	17.12	9,389.57	6,382.80	475.14	–	6,857.94	2,531.63
Vehicles	432.67	3.19	86.51	349.35	319.33	31.52	70.25	280.60	68.75
Furniture And Fittings	55.16	8.24	–	63.40	40.32	3.03	–	43.35	20.05
Office Equipments	153.47	40.42	–	193.89	126.21	7.97	–	134.18	59.71
Grand Total	**22,050.25**	**973.08**	**103.63**	**22,919.70**	**8,243.52**	**532.58**	**70.25**	**8,705.85**	**14,213.85**

* Represents IND AS Cost except Land which has been Fair Valued on transition date, i.e. 01.04.2016, considered as deemed cost.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

5. CAPITAL WORK IN PROGRESS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Work In Progress	331.09	112.55	83.40
	331.09	**112.55**	**83.40**

6. INTANGIBLE ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Goodwill	(1)	(1)	(1)
Figures of less than ₹ 0.01 have been shown at actuals in brackets.			
	(1)	**(1)**	**(1)**

7. NON-CURRENT INVESTMENTS

	Face Value	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 20 16	
		Number / Units	Amount	Number / Units	Amount	Number / Units	Amount
Investment measured at Fair Value through Profit & Loss							
a) Investment in Equity Shares (Quoted)							
Birla Corporation Ltd.	10	660	4.71	660	4.88	660	2.44
Cheviot Company Ltd.	10	274	3.76	274	2.92	274	1.97
Al Champdany Jute Co. Ltd.	10	314	0.08	338	0.09	338	0.08
Gillanders Arbuthnot & Co Ltd.	10	135	0.08	135	0.09	135	0.09
Alliance Udyog Ltd.	10	–	–	50	–	50	–
Delta International Ltd.	10	–	–	1,035	–	1035	–
Howrah Mills Company Limited.	10	–	–	50	–	50	–
The Jagatdal Industries Limited.	10	–	–	50	–	50	–
Kankinarrah Company Limited.	100	–	–	19	–	19	–
Trend Vyapaar Limited (Formerly Kelvin Jute Co. Ltd)	10	–	–	1	–	1	–
Nellimarla Jute Mills Co. Ltd.	10	–	–	70	–	70	–
New Central Jute Mills Co. Ltd.	10	–	–	12	–	12	–
Presidency Exports & Industries Limited.	10	–	–	10	–	10	–
Bajaj Hindusthan Sugar And Industries Ltd.	1	–	–	5,430	–	5430	–
Reliance Ispat Limited.	10	–	–	224	–	224	–
Solarson Ind. Ltd.	10	–	–	200	–	200	–
The Agapara Co. Ltd.	10	–	–	50	–	50	–
Auckland International Ltd(Arvind International)	10	–	–	990	–	990	–
Abhisek Jute & Industries Limited	10	–	–	660	–	660	–
The Baranagar Jute Factory Co. Ltd.	5	–	–	5	–	5	–
Fort William Industries Limited.	10	–	–	50	–	50	–
The Ganges Manufacturing Co. Ltd	10	–	–	50	–	50	–
The Gouripore Co. Ltd.	10	–	–	40	–	40	–
The Hooghly Mills Co. Ltd.	10	–	–	1,176	–	1176	–
The India Jute & Industries Ltd.	10	–	–	62	–	62	–

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

	Face Value	As at 31st March, 2018 Number / Units	Amount	As at 31st March, 2017 Number / Units	Amount	As at 1st April, 20 16 Number / Units	Amount
The Naddea Mills Co. Ltd	10	–	–	25	–	25	–
Waverly Investments Limited	1	–	–	7	–	7	–
Willard India Ltd.	10	–	–	1,200	–	1200	–
Reliance Jute Mills (Int.) Ltd.	10	–	–	112	–	112	–
Total (a)			**8.63**		**7.98**		**4.58**
(b) Investment in Equity Shares (Unquoted)							
Birds Jute & Exports Ltd.	100	–	–	10	–	10	–
National Co.Ltd. *	10	–	–	50	–	50	–
Santosh Garden Co Operative Ltd.	10	200.00	0.02	200	0.02	200	0.02
The Alexandera Jute Mills Ltd. *	100	–	–	5	–	5	–
The Empire Jute Co. Ltd.	10	–	–	26	–	26	–
Caledorian Jute & Industries	10	–	–	50	–	50	–
The Khardah Co. Ltd. *	10	–	–	62	–	62	–
The Kinnison Jute Mills Co. Ltd. *	100	–	–	2	–	2	–
The Lawrence Investment & Property Co. Ltd.	100	–	–	10	–	10	–
The North Brooke Co. Ltd.	10	–	–	50	–	50	–
Union Jute Co. Ltd. *	100	–	–	10	–	10	–
RJM Fibres Industries Ltd.	10	–	–	56	–	56	–
RJM Investment ltd.	10	–	–	56	–	56	–
Total (b)			**0.02**		**0.02**		**0.02**
Grand Total (a+b)			**8.65**		**8.00**		**4.60**

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 20 16
The carrying value and fair value of investments are as below :				
Aggregate Book Value of Quoted Investments		8.63	7.98	4.58
Aggregate Fair Value of Quoted Investments		8.63	7.98	4.58
Aggregate Amount of Unquoted Investments		0.02	0.02	0.02

8. LOANS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Security Deposits	37.12	91.91	20.43
	37.12	**91.91**	**20.43**

9. OTHER FINANCIAL ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Bank Fixed Deposits with more than 12 months maturity	–	–	95.00
	–	**–**	**95.00**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

10. NON-CURRENT TAX ASSETS (NET)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
- Advance Tax (Net of provision)	1.04	21.26	21.03
	1.04	**21.26**	**21.03**

11. OTHER NON CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Capital Advance	413.59	89.00	–
Prepaid Rent	0.24	0.79	1.24
Balance with Government Authorities	127.69	103.34	72.20
	541.52	**193.13**	**73.44**

12. INVENTORIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(As taken, valued and certified by the Management)			
Raw Materials	2,856.54	2,564.48	3,082.29
Finished Goods (including in transit CY- ₹ 87.53, 31.03.17 - ₹ 248.37, 01.04.16 - ₹ 414.30)	2,759.54	2,851.73	2,549.18
Work-in-Progress	332.02	267.86	344.69
Stores and Spares	327.94	240.83	225.60
	6,276.04	**5,924.90**	**6,201.76**

Inventories are hypothecated against working capital borrowings (Refer note no. 25)

13. TRADE RECEIVABLES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured			
Considered Good	2,573.90	2,618.56	3,115.30
Considered Doubtful	10.00	–	–
Less: Provision for Doubtful Debts	10.00	–	–
	2,573.90	**2,618.56**	**3,115.30**

Trade Receivable are hypothecated against working capital borrowings (Refer note no. 25)

14. CASH & CASH EQUIVALENTS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash on hand	7.70	7.66	19.39
Balance with Banks :			
- In Current Accounts	47.33	14.20	11.06
- In EEFC Account	68.08	21.07	69.64
- Deposits with less than 3 months initial maturity	195.00	195.60	98.68
	318.11	**238.53**	**198.77**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

14.1 OTHER BANK BALANCES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Earmarked Balances with Banks			
Unpaid Dividend account	66.24	57.11	52.61
Fixed Deposits held as Margin Money	52.67	49.39	–
	118.91	**106.50**	**52.61**

15. OTHER CURRENT FINANCIAL ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Interest Receivable	1.58	0.49	0.50
Advance to Employees	212.72	223.86	232.02
Forward Contract MTM Gain Receivable	–	1.51	4.20
Insurance Claims Receivable	143.20	143.20	143.20
Less : Doubtful	143.20	143.20	143.20
	214.30	**225.86**	**236.72**

16. OTHER CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Advance against supply of Goods & Services	135.31	85.19	113.88
Balances with Government Authorities	45.16	2.50	2.54
Prepaid Rent	–	0.45	0.45
Prepaid Expenses	69.15	65.72	34.56
Receivable from Employees	6.71	8.00	4.29
Trade & Security Deposits	–	0.03	0.03
Export Incentives Receivables	442.47	250.01	226.82
Other Receivables	3.50	–	–
Receivable from JCI (Claim)	4.93	10.59	2.96
Forward Contract MTM Gain Receivable	4.06	4.06	–
	711.29	**426.55**	**385.53**

17. CURRENT TAX ASSETS (NET)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured, Considered Good)			
Income Tax payments and TDS (Net of provision)	1.08	0.81	1.94
	1.08	**0.81**	**1.94**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

18. EQUITY SHARE CAPITAL

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 20 16	
	Number	Amount	Number	Amount	Number	Amount
Authorized :						
Equity Shares of ₹ 10/- each	1,49,90,000	1,499.00	1,49,90,000	1,499.00	1,49,90,000	1,499.00
Redeemable Preference Shares ₹ 100/-each	1,000	1.00	1,000	1.00	1,000	1.00
		1,500.00		**1,500.00**		**1,500.00**
Issued :						
Equity Shares of ₹ 10/- each fully paid up	1,07,73,120	1,077.31	1,07,73,120	1,077.31	1,07,73,120	1,077.31
		1,077.31		**1,077.31**		**1,077.31**
Subscribed and Paid-up :						
Equity Shares of ₹ 10/- each fully paid up	1,07,73,120	1,077.31	1,07,73,120	1,077.31	1,07,73,120	1,077.31
Add : Forfeited Equity Shares (Amount originally paid up)		2.46		2.46		2.46
	1,07,73,120	**1,079.77**	1,07,73,120	**1,079.77**	1,07,73,120	**1,079.77**

a) There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.

b) **Terms /Rights attached to Shareholders**

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 except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) R.V. Investment & Dealers Limited is the Holding Company of this Company.

d) Details of shareholders holding more than 5% shares in the Company :

Equity Shares of ₹ 10 each fully paid	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 20 16	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
R V Investment & Dealers Ltd	**67,16,507**	**62.35**	**67,16,507**	**62.35**	**67,16,507**	**62.35**

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) The company has neither alloted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceeding the date at which 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 ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

19. OTHER EQUITY

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a)	**Capital Reserves**			
	Capital Reserve on Consolidation	3.76	3.76	3.76
		3.76	**3.76**	**3.76**
b)	**Securities Premium Account**			
	As per last Financial Statement	585.96	585.96	585.96
		585.96	**585.96**	**585.96**
c)	**Capital Redemption Reserve**			
	As per last Financial Statement	8.36	8.36	8.36
		8.36	**8.36**	**8.36**
d)	**General Reserve**			
	As per last Financial Statement	324.84	324.84	324.84
		324.84	**324.84**	**324.84**
e)	**Retained Earnings**			
	Balance at the beginning of the year	13,861.94	13,310.14	13,310.14
	Add: Profit for the year	181.15	677.10	–
		14,043.09	**13,987.24**	**13,310.14**
	Less: Final Dividend on Equity Shares	269.33	161.60	–
	Less: Dividend Distribution Tax	54.83	32.90	–
	Add: Transferred from OCI	175.61	69.20	–
	Balance at the end of the year	**13,894.54**	**13,861.94**	**13,310.14**
f)	**Other Comprehensive Income**			
	Remeasurement of Defined Benefits Plans			
	Balance at the beginning of the year	–	–	–
	Add/(Less): Remeasurement of Defined Benefit Plan	262.36	103.39	–
	Add/(Less): Tax on the above	(86.75)	(34.19)	–
		175.61	**69.20**	**–**
	Less: Transferred to Retained Earnings	175.61	69.20	
	Balance at the end of the year	**–**	**–**	**–**
	Total Other Equity	**14,817.46**	**14,784.86**	**14,233.05**

Nature & Purpose of Reserves

Securities Premium Reserve : The Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve : The Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the company in accordance with the provisions of the Companies Act, 2013.

Retained Earnings : This reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This reserve can be utilised in accordance with the provisions of the Companies Act 2013.

Item of other Comprehensive Income (Re-Measurement of defined benefit plans) : Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

20. LONG TERM BORROWINGS

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 20 16	
	Non - Current	Current Maturities	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured						
i) Term Loan From Banks	974.94	30.18	191.06	141.23	338.22	176.30
	974.94	30.18	191.06	141.23	338.22	176.30
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note. 27)	–	(30.18)	–	(141.23)	–	(176.30)
	974.94	–	191.06	–	338.22	–

a) Rupee Term Loan from Bank @ 11.70% interest p.a. is repayable in 10 semi-annual instalment for ₹146.00 between March 2012 to September 2016, 10 semi - annual instalments for ₹150.00 between September 2013 to March 2018, in 9 semi-annual instalments for ₹ 405.41 from April 2015 to April 2019,and 9 semi - annual instalment for ₹148.21 between January 2013 to January 2017. The primary security against such asset is hypothecation of machineries purchased under the Term Loan.

b) Term loan of ₹84.64 @ 11.70% interest p.a., is secured by hypothecation of machineries and 1st. pari passu charges on entire assets both present and future and repayable in 9 half yearly instalment of ₹9.40 each starting after 6 months of disbursement i.e 25.11.2015 .

c) Term loan of ₹ 155.00 @ 8.90% interest p.a., is secured as exclusive charge over all the assets of the Company funded by the specified bank and subservient charge over all the current Assets and Movable Fixed Assets of the Company (both present & future) and repayable in 20 quarterly instalments of ₹7.75 each starting after 1 year from date of disbursement i.e 16.05.2018.

d) Term loan of ₹ 850.12 @ 8.95% interest p.a., is secured as exclusive charge over all the assets of the Company funded by the specified bank and subservient charge over all the current Assets and Movable Fixed Assets of the Company (both present & future) and repayable in 20 quarterly instalments of ₹ 42.51 each starting after 2 years from the date of disbursement i.e 03.10.2019 .

21. NON CURRENT PROVISIONS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefits			
- Leave Encashment (Refer Note No. 41)	173.53	154.87	146.19
	173.53	**154.87**	**146.19**

22. DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) **Deferred Tax Liabilities**			
Depreciation and Amortization Expenses	401.70	288.88	265.60
Other	4.14	4.73	5.61
	405.84	**293.61**	**271.21**
b) **Deferred Tax Assets**			
Items U/S 43B of the Income Tax Act, 1961	139.18	177.00	103.70
On Others	65.49	3.44	100.62
	204.67	**180.44**	**204.32**
Deferred Tax Liabilities (Net) (a-b)	**201.17**	**113.17**	**66.89**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

22.1 MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES DURING THE YEAR ENDED 31ST MARCH '17 AND 31ST MARCH '18

Particulars	Opening Balance as on 1st April, 2016	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income (OCI)	As at 31st March, 2017
Deferred Tax Liabilities				
Depreciation and Amortization Expenses	265.60	23.28		288.88
Others	5.61	(35.06)	34.19	4.73
	271.21	**(11.78)**	**34.19**	**293.61**
Deferred Tax Assets				
On Retirement benefits expenses as per Ind AS - 19	103.70	73.30		177.00
On Others	100.62	(97.18)		3.44
	204.32	**(23.88)**		**180.44**
Deferred Tax Liabilities (Net)	**66.89**	**12.10**	**34.19**	**113.17**

Particulars	Opening Balance as at 31st March, 2017	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income (OCI)	As at 31st March, 2018
Deferred Tax Liabilities				
Depreciation and Amortization Expenses	288.88	112.82		401.70
Others	4.73	(87.34)	86.75	4.14
	293.61	**25.48**	**86.75**	**405.84**
Deferred Tax Assets				
On Retirement benefits expenses as per Ind AS - 19	177.00	(37.82)		139.18
On Others	3.44	62.05		65.49
	180.44	**24.23**		**204.67**
Deferred Tax Liabilities (Net)	**113.17**	**1.25**	**86.75**	**201.17**

23. NON-CURRENT TAX LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax (Net of Advance Tax & Income Tax Refundable)	38.80	30.15	–
	38.80	**30.15**	**–**

24. OTHER NON CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Revenue Grant	53.66	46.05	48.08
	53.66	**46.05**	**48.08**

24.1 MOVEMENT OF DEFERRED REVENUE

Particulars	**2017-18**	**2016-17**
Opening Balance (including current portion)	65.08	75.85
Add: Grant Received during the year	25.77	20.30
Less: Released to Statement of Profit & Loss	(23.24)	(31.07)
Less: Transferred to Current Deferred Revenue Grant	(13.95)	(19.03)
Closing Balance	**53.66**	**46.05**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

25. SHORT TERM BORROWINGS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Working Capital facilities from Banks			
- Cash Credit	3,617.02	3,391.86	2,991.51
- Export Packing Credit	854.12	561.54	517.34
- Bill Discounting	536.07	246.40	595.68
- Buyer's Credit (in Foreign Currency)	323.58	–	–
	5,330.79	**4,199.80**	**4,104.53**

Working Capital Borrowings of ₹ 3,083 (P.Y. - ₹ 2,226) are unsecured while the balance Working Capital Borrowings are secured. Working Capital Borrowings in Rupee is secured against hypothecation of entire stocks and trade receivable together with bank's pari passu 1st charge on entire assets both present and future of the Company.

26. TRADE PAYABLES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
For Goods and Services			
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 48)	–	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,589.50	1,892.66	2,215.08
	1,589.50	**1,892.66**	**2,215.08**

27. OTHER CURRENT FINANCIAL LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current Maturities of Long-term debt (Refer Note 20)	30.18	141.23	176.30
Interest accrued and due on Loans	25.03	7.20	5.29
Unpaid Dividends	66.24	57.11	52.61
Employee Related Liabilities	798.06	851.31	791.25
Trade & Security Deposit	15.83	15.83	15.83
MTM Loss on Forward Contract	0.02	–	–
	935.36	**1,072.68**	**1,041.28**

28. OTHER CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Statutory dues	258.23	226.69	229.39
Advance from Customers	41.83	18.16	21.76
Deferred Revenue Grant	13.95	19.03	27.77
	314.01	**263.88**	**278.92**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

29. CURRENT PROVISIONS

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee Benefits			
- Gratuity	33.97	195.15	555.16
- Leave Encashment	60.24	17.24	20.86
	94.21	**212.39**	**576.02**

30. CURRENT TAX LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax (Net of Advance Tax)	44.84	45.02	74.27
	44.84	**45.02**	**74.27**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

31. REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Finished Goods - Jute Products	32,811.05	35,428.44
Total (A)	**32,811.05**	**35,428.44**
Other Operating Revenue		
Scrap Sales	–	36.06
Insurance and Other Claims (Net)	6.34	–
Miscellaneous Income	17.72	9.38
Export Incentive	538.64	469.82
Total (B)	**562.70**	**515.26**
Grand Total (A+B)	**33,373.75**	**35,943.70**

32. OTHER INCOME

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
on Bank Deposits	21.51	18.30
on Security Deposits	0.43	0.43
on Income Tax Refund	0.01	–
Dividend Income		
Dividend Income on Long Term Investment	0.05	0.04
Other Non Operating Income	–	–
Net Gains / (Losses) on Fair Value Changes on Equity Instruments	0.67	3.40
Excess Provisions written back	0.91	–
Unspent Liabilities written back	68.54	8.37
Excess Depreciation written back	0.17	–
Bad Debt recovery	105.75	55.37
Exchange Gain / (loss) on foreign currency transaction & translation (Net)	130.15	45.66
Profit on disposal of PPE (Net)	10.33	12.17
Income on Government Grant	23.24	31.07
Miscellaneous Income	–	0.02
	361.76	**174.83**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

33. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	2,564.48	3,082.29
Add : Purchases	18,700.02	19,891.13
	21,264.50	22,973.42
Less : Inventory at the end of the year	2,856.54	2,564.48
	18,407.96	**20,408.94**

34. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN- PROGRESS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock :		
Finished Goods	2,851.73	2,549.18
Work-In-Progress	267.86	344.69
	3,119.59	**2,893.87**
Less: Closing Stock		
Finished Goods	2,759.54	2,851.73
Work-In-Progress	332.02	267.86
	3,091.56	**3,119.59**
Increase / (Decrease) in Inventories of Finished Goods & Work-In-Progress	**28.03**	**(225.72)**

35. EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	6,850.77	6,761.02
Contribution to Provident and Other Funds	1,038.74	967.76
Contribution to Gratuity Fund	301.32	298.38
Workmen and Staff Welfare Expenses	108.07	111.39
	8,298.90	**8,138.55**

36. FINANCE COST

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expenses		
On Term Loans	34.11	46.24
On Working Capital Loans	362.61	207.42
Other Financial Charges	21.49	30.91
	418.21	**284.57**

37. DEPRECIATION EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Tangible Assets	524.38	532.58
	524.38	**532.58**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

38. OTHER EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing Expenses		
Consumption of Stores and Spares	1,543.97	1,344.95
Power & Fuel	1,564.95	1,595.71
Sub Contracting/Job Work Charges	1,165.38	1,100.37
Repairs to Machinery	66.28	151.25
Repairs to Building	55.05	98.53
	4,395.63	**4,290.81**
Selling And Administration Expenses		
Rates and Taxes	18.45	11.86
Repairs to Others	150.62	145.98
Insurance	52.95	49.51
Rent	16.49	31.14
Travelling and Conveyance Expenses	27.42	45.31
Freight and Forwarding Expenses	590.10	508.71
Increase/Decrease of Cess on Finished Goods	(21.35)	0.06
Legal and Professional Fees	42.53	46.69
Brokerage	93.80	85.33
Bad Debts written Off	22.84	69.22
Provision for Bad Debt	10.00	–
MTM (Gain)/Loss on Derivative Instruments	–	2.69
Contribution to CSR Activities (Refer Note No 45)	5.62	8.31
Director Sitting Fees	8.66	8.32
Auditors' Remuneration (Refer note no. 38.1)	10.07	10.31
Miscellaneous Expenses	257.19	307.36
	1,285.39	**1,330.80**
	5,681.02	**5,621.61**

38.1 PAYMENT TO AUDITOR

	For the year ended March 31, 2018	For the year ended March 31, 2017
Statutory Audit fees	6.67	7.56
Limited Review	1.50	1.73
Issue of certificates	1.65	0.77
Cost Audit Fees	0.25	0.25
	10.07	**10.31**

39. TAX EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Income Tax recognised in Statement of Profit and Loss		
Current Tax	115.98	321.96
Deferred Tax	1.25	12.10
	117.23	**334.06**
Income Tax for earlier years	1.00	0.12
	118.23	**334.18**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

39.1 RECONCILIATION OF INCOME TAX EXPENSE FOR THE YEAR WITH BOOK PROFITS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Income before Income Taxes	300.01	1,012.35
Indian Statutory Income Tax Rate *	33.06%	33.06%
Estimated Income Tax Expense	99.19	334.71
Tax Effect of adjustments to reconcile expected Income Tax Expense to		
Reported Income Tax Expense		
Income exempt or not chargeable to tax	(3.45)	(4.04)
Expenses Disallowed for Tax Purpose	5.16	2.73
Others *	16.33	0.66
	18.04	**(0.65)**
Tax Expense in Statement of Profit and Loss	**117.23**	**334.06**

* Includes impact of reinstatement of opening deferred tax asset / liability at enacted tax rate of 33.384% against previously recognised tax rate of 33.063%.

40. CONTINGENCIES & COMMITMENTS

		As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
i)	**Contingent Liabilities not provided for in respect of :**			
a)	i) Disputed demand against WBST Act,1994, (₹22.20 , ₹ 22.20 as on 31.03.17, ₹22.20 as on 01.04.16) and CST Act'1956 (₹1.54, ₹ 1.54 as on 31.03.17, ₹ 3.16 as on 01.04.16) for the year 1999-00 and 2004 -05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv. Paid against WBST Act, 1994 ₹ 11.20, ₹11.20 as on 31.03.17, ₹ 11.20 as on 01.04.16)	23.74	23.74	25.36
	ii) Disputed demand against WB VAT ACT, 2003 (₹ 83.28, ₹ 81.97 as on 31.03.17, ₹ 185.23 as on 01.04.16). CST Act, 1956 (₹ 994.95, ₹ 828.74 as on 31.03.17, ₹ 1214.35 as on 01.04.16) & WB Entry Tax Act (₹ 1.12, ₹ 1.12 as on 31.03.17, ₹ nil as on 01.04.16) for the year 2005-06 to 2014-2015 for which Appeal is pending before WBCT (A&R) Board and Appellate Forum (Adv. Paid against CST Act, 1956 ₹ 27.36, ₹ Nil as on 31.03.17, ₹ 37.15 as on 01.04.16)	1,079.35	911.83	1,399.58
b)	Land Revenue (Rent) raised by the office of the Block & Land Revenue (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 from 2001-02 to 2017-18.	161.63	150.08	138.54
c)	i) Outstanding Bank Guarantees	441.82	377.97	371.18
	ii) Outstanding Letter of Credit	1,356.13	852.16	49.30
	The amounts shown in (a) and (b) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately.			
	In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.			
	The Company does not expect any reimbursements in respect of the above contingent liabilities.			
ii)	**Capital & Other Commitments**			
	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to ₹ 413.59 ₹ 89.00 as on 31.03.17, ₹ Nil as on 01.04.16)	173.83	97.13	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

41. EMPLOYEE BENEFITS

In accordance with the revised Ind AS 19 on Employee Benefits, the requisite disclosure are as follows:

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
i) Employees Provident Fund	27.10	22.13
ii) Employees Pension Scheme	497.11	487.29

b) **Defined Benefit Plans : Benefits are of the following types :**

i) **Gratuity Plan**

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.

ii) **Provident Fund**

Provident Fund (other than government administered) as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for Gratuity Plan :

1. The amount recognised in the Balance Sheet are as follows :

Particulars	As at 31st March, 2018	As at 31st March, 2017
Present Value of funded obligations	3,907.77	3,874.12
Fair value of plan assets	3873.80	3,678.97
Net Liabilities in respect of funded obligations on actuarial valuation basis	**33.97**	**195.15**

2. The expenses recognized in the statement of Profit and Loss for the year ended 31st March, 2018 are as follow :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Service Cost	287.01	255.11
Past Service Cost	1.89	–
Net Interest Cost / (Income) on the Net Defined Benefit Liability/(Asset)	12.42	43.27
Expenses recognised in statement of profit and loss	**301.32**	**298.38**
Expenses recognised during the year:		
In Income Statement	301.32	298.38
In OCI	(262.36)	(103.39)
Total expenses recognised during the year	**38.96**	**194.99**

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Present value of defined benefit obligation at the beginning of the year	3874.12	3,646.46
Current Service Cost (+)	287.01	255.11
Interest Cost (+)	281.77	284.22
Re-measurement (or Actuarial) Gain (-)/ Loss (+) arising from		
- change in financial assumptions	(65.31)	180.00
- experience variance (i.e. Actual experience vs assumptions)	(180.99)	(182.50)
Past Service Cost	1.89	–
Benefits paid (-)	(290.72)	(309.17)
Present value of defined benefit obligation at the end of the year	**3,907.77**	**3,874.12**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Fair value of Plan Assets at the beginning of the year	3,678.97	3,091.30
Acquisition adjustments		
Investment Income (+)	269.49	240.95
Actual Company Contribution (+)	200.00	555.00
Benefit Payments (-)	(290.72)	(309.17)
Return on plan assets, excluding amount recognized in net interest expense	16.06	100.89
Fair Value of Plan Assets at the end of the year	**3,873.80**	**3,678.97**

5. Other Comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Actuarial (gains) / losses		
- change in demographic assumptions	–	–
- change in financial assumptions	(65.31)	180.00
- experience variance (i.e. Actual experience vs assumptions)	(180.99)	(182.50)
- others	–	–
Return on plan assets, excluding amount recognized in net interest expenses	(16.06)	(100.89)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	–	–
Components of defined benefit cost recognised in other comprehensive income	**(262.36)**	**(103.39)**

6. The major categories of plan assets as a percentage of total plan assets are as follows :

Particulars	As at 31st March, 2018	As at 31st March, 2017
Qualifying insurance policy	100%	100%

7. The principal actuarial assumptions at the Balance Sheet date are as follows :

Particulars	As at 31st March, 2018	As at 31st March, 2017
1. Mortality Rate (% of IALM 06-08)	100%	100%
2. Withdrawal rates, based on age (per annum)	2% to 1%, depending on the age and length of service	2% to 1%, depending on the age and length of service
3. Discount Rate (per annum)	7.70%	7.33%
4. Salary growth rate (per annum)	7 % p.a. for 1st 2 yrs 6% for next 2 yrs & 5.5% thereafter	7 % p.a. for 1st 2 yrs 6% for next 2 yrs & 5.5% thereafter
5. Normal Age of Retirement	58 Years	58 Years

8. A quantitative sensitivity analysis for significant assumption as at 31 March 2018 are as shown below :

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant, The results of sensitivity analysis is given below:

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

	Sensitivity Level	Defined benefit obligations			
		31-Mar-18		31-Mar-17	
		Increase	Decrease	Increase	Decrease
Discount Rate	1% Increase or Decrease	3,630.74	4,228.94	3,592.85	4,196.01
Further salary increase	1% Increase or Decrease	4,231.44	3,623.91	4,197.35	3,586.88

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

9. Expected Cash Flows over the next years (valued on undiscounted basis) :

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within the next 12 months	452.13	414.53
Between 2 and 5 years	1463.28	1,419.63
Between 6 and 10 years	2362.06	2,269.40
Beyond 10 years	4038.58	3,838.36
Company's best estimate of Contribution during the next year	318.89	470.42

Funding arrangements and Funding Policy :

The Company has purchased an insurance policy to provide for payment of gratuity to the employees every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

10. In respect of provident funds for eligible employees maintained by a trust, in the nature of defined benefits plan, shortfall towards 'interest rate guarantee liability amounting to ₹35.58 lacs upto 31.03.18, as per actuarial valuation in respect of contribution towards such funds has been provided and included as expenses in 'Contribution to PF & Other Fund' under the heading "Employees benefit Expenses."

42. Earnings Per Share (EPS)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	**BASIC**		
	Profit after Tax attributable to Equity Shareholders (₹ in lakhs) (i)	181.78	678.17
	Weighted average number of Equity Shares of ₹10/- each outstanding during the year (ii)	1,07,73,120	1,07,73,120
	Basic Earnings per share (in ₹) [(i)/(ii)]	1.69	6.32
(ii)	**DILUTED**		
	Dilutive potential Equity shares	Nil	Nil
	Diluted Earnings per share (in ₹) [a (i)/ a (ii)]	1.69	6.32

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

43. Segment Reporting

For management's purpose, the Company's business activities fall within two business segment viz. Jute Goods & Power. The disclosure requirements as per Ind AS 108 "Operating Segments" is given below :

(i) **Primary Segment information : (Business Segment)**

Particulars	2017–18				
	Jute	Power	Others	Less : Inter	Total
Business Segment				Segment Revenue	
Segment Revenue					–
External Sales	33,373.75		–		33,373.75
Own Consumption		97.00		97.00	–
Total Segment Revenue	**33,373.75**	**97.00**	**–**	**97.00**	**33,373.75**
Segment Result	**840.14**	**56.64**	**3.25**	**–**	**900.03**
Less:					
(i) Interest					418.21
(ii) Unallocated corporate expenses net of unallocated income					181.81
Profit before Tax					**300.01**
Tax Expenses					118.23
Profit after Tax	**–**	**–**			**181.78**
Other Information					
Segment Assets	24,630.58	619.27	135.96		25,385.81
Unallocated corporate assets					358.91
Total	**24,630.58**	**619.27**	**135.96**		**25,744.72**
Segment Liabilities	3,010.47	562.95	0.26		3,573.68
Unallocated corporate liabilities					5,202.19
Total	**3,010.47**	**562.95**	**0.26**		**8,775.87**
Capital Expenditure	1,149.87	–	–		1,149.87
Common Capital Expenditure					–
Total	**1,149.87**	**–**	**–**		**1,149.87**
Depreciation	487.88	35.36	1.14		524.38
Common Depreciation					–
Total	**487.88**	**35.36**	**1.14**		**524.38**

Note : As the Solar Power Plant was commissioned on 31st March, 2017, the need of furnishing the figures for the corresponding Previous year does not arise

(ii) **Secondary information : (Geographical Segment)**

The Company primarily operates in India and therefore the geographical segments considered for disclosures on the basis of sales are as under : -

Particulars	Amount (₹ in lakhs)			Amount (₹ in lakhs)		
	For the year ended 31st March, 2018			For the year ended 31st March, 2017		
	India	Overseas	Total	India	Overseas	Total
Revenue from operations	25799.75	7,574.00	33373.75	30198.43	5745.27	35,943.70
Carrying Amount of Segment Assets (Trade Receivables)	1687.16	886.74	2,573.90	2207.90	410.66	2,618.56
Carrying Amount of Segment Liabilities (Advance from Customers)	21.39	20.44	41.83	18.16	–	18.16

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

(iii) **Other Disclosures**

a) The Company's operations predominantly relate to Jute and other products are Power and others. Accordingly, these business segments comprise the primary basis of segmental information set out in these financial statements.

b) Inter-segment transfers are based on prevailing market prices.

c) The accounting policies adopted for segment reporting are in line with the accounting policy of the Company.

d) The Operating Segments have been reported in a manner consistent with the internal reporting and evaluation by Chief Operating Decision Maker (CODM).

44. Related Party Transactions

As defined in Indian Accounting Standard 24, 'Related Party Disclosures' are given below :-

A. Relationships

1) **Holding Company :**

Name of Entity	Place of Incorporation	Ownership Interest held in the Company	
		31st March 2018	31st March 2017
R.V. Investments & Dealers Ltd.	India	62.35%	62.35%

2) **Subsidiary Companies :**

Name of Entity	Place of Incorporation	Ownership Interest held in the Company	
		31st March 2018	31st March 2017
Ludlow Exports Ltd.	India	100%	100%
Sijberia Industries Ltd.	India	53.91%	53.91%

3) **Enterprises over which KMP exercises significant influence (within Group) :**

a) Kirtivardhan Finvest Services Ltd.

b) Belvedere Gardens Limited

4) **Key Managerial Personnel (KMP) :**

Name	Designation
Mr R V Kanoria	Non Executive Chairman
Mr Ajay Kumar Todi	Managing Director
Mr J. K. Bhagat	Director
Mr A.C. Mukherji	Director
Mr I.P. Pddar	Director
Mr B. Choudhuri	Director
Mr L.G. Toolsidass	Director
Mr Satish Kapur	Director
Ms. Nayantara Palchoudhuri w.e.f. 24th September 2014	Director
Mr. R K Gupta	Chief Financial Officer
Ms. Minu Rohila till 17th September 2016	Company Secretary & Compliance Officer
Ms. Madhuri Pandey w.e.f. 1st March 2017	Company Secretary & Compliance Officer

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

B. Transactions during the year in the ordinary course of business :-

Particulars	Holding Co. & Enterprise having significant influence		Key Managerial Personnel	
	2017-18	2016-17	2017-18	2016-17
Remuneration paid to Managing Director	–	–	99.06	96.42
Salary Paid to other than Managing Director		–	18.11	15.98
Rent and maintenance charges paid	49.88	48.89	–	–
Director Sitting Fees		–	8.66	8.32
Closing Balance (of Security Deposit given)	3.89	3.89	–	–

45. Corporate Social Reporting

In accordance with the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure are as follows :

(i) Expenditure incurred on CSR activities :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Gross amount required to be spent by the Company during the year	8.60	3.70
Related Party transactions as per Ind AS 24 in relation to CSR expenditure	–	–
Provision made in relation to CSR expenditure	–	–

(ii) Amount Spent during the year on :

Sl. No.	Particulars	For the Year ended 31st March 2018			For the Year ended 31st March 2017		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
I	Construction/Acquisition of any asset	–	–	–	2.40	–	2.40
II	On purposes other than (i) above	5.62	–	5.62	5.91	–	5.91

46. There being uncertainties in realization from Insurance claims , the same are accounted for on settlement/realization.

47. Certain Trade Receivable, Loans and Advances and Trade Payable are subject to confirmation In the opinion of the management the value of Trade Receivables and Loans & Advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

48. 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).

Sl. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	–	–	–
(ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	–	–	–
(iii)	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act 2006.	–	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–	–

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006.	–	–	–

49. Capital Management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic Investments. Sourcing of capital is done through judicious combination of equity / internal accruals and borrowings, both short term and long term. Net debt to Equity ratio is used to monitor capital.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Quantitative data			
Debt Equity ratio	**0.40**	**0.28**	**0.30**

50. Fair Value Measurement

i) Fair Value Measurement

The following table shows the carrying amount and fair values of financial assets and liabilities by category :

	March 31, 2018			March 31, 2017			April 1, 2016		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets (Non Current)									
(i) Investments									
- In Equity Instruments	8.65	–	–	8.00	–	–	4.60	–	–
(ii) Loans - Security Deposit	–	–	37.12	–	–	91.91	–	–	20.43
(iii) Other Financial Assets	–	–	–	–	–	–	–	–	95.00
Total (a)	**8.65**	**–**	**37.12**	**8.00**	**–**	**91.91**	**4.60**	**–**	**115.43**
Financial Assets (Current)									
(i) Investments									
- In Mutual Funds	–	–	–	–	–		–	–	–
(ii) Trade Receivables	–	–	2,573.90	–	–	2,618.56	–	–	3,115.30
(iii) Cash & Cash Equivalents	–	–	318.11	–	–	238.53	–	–	198.77
(iv) Other Bank Balances	–	–	118.91	–	–	106.50	–	–	52.61
(v) Other Financial Assets	–	–	214.30	1.51	–	224.35	4.20	–	232.52
Total (b)	**–**	**–**	**3,225.22**	**1.51**	**–**	**3,187.94**	**4.20**	**–**	**3,599.19**
Total Financial assets (a+b)	**8.65**	**–**	**3,262.34**	**9.51**	**–**	**3,279.85**	**8.80**	**–**	**3,714.62**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

	March 31, 2018		March 31, 2017		April 1, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities (Non-Current)						
(i) Borrowings	–	974.94	–	191.06	–	338.22
(ii) Other Financial Liabilities	–	–	–	–	–	–
Total (a)	–	974.94	–	191.06	–	338.22
Financial Liabilities (Current)						
(i) Borrowings	–	5,330.79	–	4,199.80	–	4,104.53
(ii) Trade Payables	–	1,589.50	–	1,892.66	–	2,215.08
(iii) Other Financial Liabilities	0.02	935.34	–	1,072.68	–	1,041.28
Total (b)	0.02	7,855.63	–	7,165.14	–	7,360.89
Financial Liabilities (a+b)	**0.02**	**8,830.57**	–	**7,356.20**	–	**7,699.12**

ii) Fair Value of Financial Assets & Liabilities

The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost :

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets						
Investments						
Loans – Security Deposit	37.12	37.12	91.91	91.91	20.43	20.43
Other Non Current Financial Assets	–	–	–	–	95.00	95.00
Trade Receivables	2,573.90	2,573.90	2,618.56	2,618.56	3,115.30	3,115.30
Cash and Cash Equivalents	318.11	318.11	238.53	238.53	198.77	198.77
Other Bank Balances	118.91	118.91	106.50	106.50	52.61	52.61
Other Financial Assets	214.30	214.30	224.35	224.35	232.52	232.52
Total Financial Assets	**3,262.34**	**3,262.34**	**3,279.85**	**3,279.85**	**3,714.63**	**3,714.63**
Financial Liabilities						
Long Term Borrowings	974.94	974.94	191.06	191.06	338.22	338.22
Short Term Borrowings	5,330.79	5,330.79	4,199.80	4,199.80	4,104.53	4,104.53
Trade Payables	1,589.50	1,589.50	1,892.66	1,892.66	2,215.08	2,215.08
Other Financial Liabilities	935.34	935.34	1,072.68	1,072.68	1,041.28	1,041.28
Total Financial Liabilities	**8,830.57**	**8,830.57**	**7,356.20**	**7,356.20**	**7,699.11**	**7,699.11**

The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximates their carrying value.

The following methods and assumptions were used to estimate the fair values :

(a) The investments being listed, the fair value has been taken at the market rates of the same on the reporting dates. They are classified as Level 1 fair values in the fair value hierarchy.

(b) The values of non current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

iii) Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

Company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ins AS 113 "Fair Value Management". An explanation of each level follows underneath the tables :

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels :

Level 1 : Quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2 : Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is the case with listed instruments where market is not liquid and for unlisted instruments.

a) Assets and Liabilities measured at Fair Value - recurring fair value measurements :

Levels	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31st March, 2018			
Investment in Unquoted Equity Shares	–	–	0.02
Investment in Quoted Equity Shares	8.63	–	–
Forward Exchange Forward Contract (MTM)	–	–	–
As at 31st March, 2017			
Investment in Unquoted Equity Shares	–	–	0.02
Investment in Quoted Equity Shares	7.98	–	–
Forward Exchange Forward Contract (MTM)	–	1.51	–
1st April, 2016	–	–	
Investment in Unquoted Equity Shares	–	–	0.02
Investment in Quoted Equity Shares	4.58	–	–
Forward Exchange Forward Contract (MTM)	–	4.20	–

b) Financial Assets And Liabilities measured at Amortised Cost for which fair value are disclosed :

	March 31, 2018			March 31, 2017			April 1, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets (Non Current)									
(i) Investments									
- In Equity Instruments	–	–	–	–	–	–	–	–	–
(ii) Security Deposit	–	–	37.12	–	–	91.91	–	–	20.43
(iii) Other Financial Assets	–	–	–	–	–	–	–	–	95.00
Total (a)	**–**	**–**	**37.12**	**–**	**–**	**91.91**	**–**	**–**	**115.43**
Financial Assets (Current)									
(i) Investments									
(ii) Trade Receivables	–	–	2,573.90	–	–	2,618.56	–	–	3,115.30
(iii) Cash & Cash Equivalents	–	–	318.11	–	–	238.53	–	–	198.77
(iv) Other Bank Balances	–	–	118.91	–	–	106.50	–	–	52.61
(v) Other Financial Assets			214.30	–	–	224.35	–	–	232.52
Total (b)	**–**	**–**	**3,225.22**	**–**	**–**	**3,187.94**	**–**	**–**	**3,599.19**
Total Financial assets (a+b)	**–**	**–**	**3,262.34**	**–**	**–**	**3,279.85**	**–**	**–**	**3,714.62**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

	March 31, 2018			March 31, 2017			April 1, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities (Non-Current)									
(i) Borrowings	–	–	974.94	–	–	191.06	–	–	338.22
(ii) Other Financial Liabilities	–	–	–	–	–	–	–	–	–
Total (a)	**–**	**–**	**974.94**	**–**	**–**	**191.06**	**–**	**–**	**338.22**
Financial Liabilities (Current)									
(i) Borrowings	–	–	5,330.79	–	–	4,199.80	–	–	4,104.53
(ii) Trade Payables	–	–	1,589.50	–	–	1,892.66	–	–	2,215.08
(iii) Other Financial Liabilities	–	–	935.34	–	–	1,072.68	–	–	1,041.28
Total (b)	**–**	**–**	**7,855.63**	**–**	**–**	**7,165.14**	**–**	**–**	**7,360.89**
Financial Liabilities (a+b)	**–**	**–**	**8,830.57**	**–**	**–**	**7,356.20**	**–**	**–**	**7,699.11**

During the year ended 31st March 2018 and 31st March 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements

51. Financial risk management objectives and policies

The Company's activities expose it to the following risks :

a) Credit risk
b) Liquidity risk
c) Market risk

a) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

Trade receivables : Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in Note 13.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans/internal accruals. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 years to 5 years	More than 5 years	Total
As at 31st March 2018						
Trade & Security Deposit	15.83	–	–	–	–	**15.83**
Borrowings -Non Current Portion	–	–	–	974.94	–	**974.94**
Borrowings - Current Portion	4,794.72	536.07	–	–	–	**5,330.79**
Other financial liabilities	–	210.12	679.23	–	–	**889.35**
Current Maturities of Long Term Debt	–	15.07	15.11	–	–	**30.18**
Trade payables	–	1,565.94	23.56	–	–	**1,589.50**
	4,810.55	**2,327.20**	**717.90**	**974.94**	**0.00**	**8,830.59**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 years to 5 years	More than 5 years	Total
As at 31st March 2017						
Trade & Security Deposit	15.83	-	-	-	-	**15.83**
Borrowings -Non Current Portion	-	-	-	191.06	-	**191.06**
Borrowings - Current Portion	3,953.40	246.40	-	-	-	**4,199.80**
Other current financial liabilities	-	260.64	654.98	-	-	**915.62**
Current Maturities of Long Term Debt	-	84.40	56.83	-	-	**141.23**
Trade payables	-	1,851.07	41.59	-	-	**1,892.66**
	3,969.23	**2,442.51**	**753.40**	**191.06**	**0.00**	**7,356.20**
As at 1st April 2016						
Trade & Security Deposit	15.83	-	-	-	-	**15.83**
Borrowings -Non Current Portion	-	-	-	338.22	-	**338.22**
Borrowings - Current Portion	3,508.85	595.68	-	-	-	**4,104.53**
Other current financial liabilities	-	234.07	615.08	-	-	**849.15**
Current Maturities of Long Term Debt	-	115.90	60.40	-	-	**176.30**
Trade payables	-	2,180.03	35.05	-	-	**2,215.08**
	3,524.68	**3,125.68**	**710.53**	**338.22**	**0.00**	**7,699.11**

c) **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four type of risks: Commodity Price Risk, Foreign Exchange Risk, Interest Rate Risk and Other Price Risk.

1) **Commodity Price Risk :** The Company primarily imports raw jute , stores and spare items etc. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary.

2) **Foreign Currency Risk :** The Company has Foreign Currency Exchange Risk on imports of input materials, Capital Equipment(s) in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

The following table demonstrates the sensitivity in the US Dollars (USD); Euro (EUR) and Sterling Pound (GBP) to the Indian Rupee with all other variables held constant.

i) **Exposure to currency risk**

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Unhedged Foreign Currency Exposure

Particulars	As at 31st March, 2018					
	USD	**INR**	**EUR**	**INR**	**GBP**	**INR**
Financial Assets						
Trade Receivables	10,74,201	698.70	90,741	73.16	6,652	6.14
Financial Liabilities						
Buyers Credits	4,97,475	323.58	–	–	–	–
(Net Exposure)/Exposure in foreign currency	**(5,76,726)**	**(375.12)**	**90,741**	**73.16**	**6,652**	**6.14**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

Particulars	As at 31st March, 2017					
	USD	INR	EUR	INR	GBP	INR
Financial Assets						
Trade Receivables	54,653	35.44	23,688	16.40	34,747	28.10
Financial Liabilities						
(Net Exposure)/Exposure in foreign currency	**54,653**	**35.44**	**23,688**	**16.40**	**34,747**	**28.10**

* Unhedged Foreign Currency Exposure as on 01.04.2016 - NIL

ii) Hedged Foreign Currency Exposure

Particulars	As at 31st March, 2018					
	USD	INR	EUR	INR	GBP	INR
Derivative Assets						
Forward Contract against Trade Receivable	1,30,603	84.95	–	–	25,779	23.79
Derivative Liabilities	–	–	–	–	–	–
(Net Exposure)/Exposure in foreign currency	**1,30,603**	**84.95**	**–**	**–**	**25,779**	**23.79**

Particulars	As at 31st March, 2017					
	USD	INR	EUR	INR	GBP	INR
Derivative Assets						
Forward Contract against Trade Receivable	1,32,926	86.19	40,722	28.20	19,250	15.57
Derivative Liabilities	–	–	–	–	–	–
(Net Exposure)/Exposure in foreign currency	**1,32,926**	**86.19**	**40,722**	**28.20**	**19,250**	**15.57**

Particulars	As at 1st April, 2016					
	USD	INR	EUR	INR	GBP	INR
Derivative Assets						
Forward Contract against Trade Receivable	5,35,000	354.87	9,000	67.59	1,55,000	147.39
Derivative Liabilities	–	–	–	–	–	–
(Net Exposure)/Exposure in foreign currency	**5,35,000**	**354.87**	**9,000**	**67.59**	**1,55,000**	**147.39**

Sensitivity Analysis

The Analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
USD Sensitivity (Increase)	5%	18.76	14.93	5%	1.77	1.19
USD Sensitivity (Decrease)	5%	(18.76)	(14.93)	5%	(1.77)	(1.19)
EUR Sensitivity (Increase)	5%	3.66	2.91	5%	0.82	0.55
EUR Sensitivity (Decrease)	5%	(3.66)	(2.91)	5%	(0.82)	(0.55)
GBP Sensitivity (Increase)	5%	0.31	0.24	5%	1.41	0.94
GBP Sensitivity (Decrease)	5%	(0.31)	(0.24)	5%	(1.41)	(0.94)

3) **Interest rate risk :** The fair value or future cash flows of a financial instrument fluctuates due to changes in market interest rates. The Company's exposure to the interest rate risk relates primarily to the Company's long-term debt obligations with floating interest rates.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

Exposure to interest rate risk

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Fixed Rate Instruments			
Financial Assets	247.67	244.99	98.68
Financial Liabilities	–	–	–
Variable Rate Instruments			
Financial Assets	–	–	–
Financial Liabilities	**6,335.91**	**4,532.09**	**4,619.05**

Interest rate sensitivity

A change in 100 bps in interest rate in reference to loans and borrowings taken with all other variables held constant would have following impact on PBT and Other Equity

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Interest Rate (Increase)	+100	(63.36)	(42.41)	+100	(45.32)	(30.34)
Interest Rate (Decrease)	-100	63.36	42.41	-100	45.32	30.34

4) **Other Price Risk :** The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the Balance Sheet at Fair Value through Profit and Loss. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the Company, fluctuation in their prices are considered acceptable and do not warrant any management.

Exposure to other market price risk

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Investment in Equity Instruments	8.63	7.98	4.58

Sensitivity Analysis

The Analysis is based on assumption that the increase/decrease by 10% with all other variables held constant.

Particulars	31st March 2018			31st March 2017		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Market Rate (Increase)	+10%	0.86	0.58	+10%	0.80	0.53
Market Rate (Decrease)	-10%	(0.86)	(0.58)	-10%	(0.80)	(0.53)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

52. Additional information pursuant to Schedule III of The Companies Act, 2013, of enterprises consolidated as subsidiary.

Name of the entity in the Consolidation	As at and for the year ended 31st March, 2018							
	Net Assets i.e. total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated OCI	Amount	As % of Total Comprehensive Income	Amount
Parent								
Ludlow Jute & Specialities Limited	98.44	15743.64	98.66	179.34	100.00	175.61	99.32	354.95
Subsidiaries (Indian)								
Ludlow Exports Limited	0.20	32.15	0.59	1.08	–	–	0.30	1.08
Sijberia Industries Limited	0.76	121.44	0.40	0.73	–	–	0.20	0.73
Minority Interest in all Subsidiaries	0.60	96.68	0.35	0.63	–	–	0.18	0.63

Name of the entity in the Consolidation	As at and for the year ended 31st March, 2017							
	Net Assets i.e. total assets minus total liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated OCI	Amount	As % of Total Comprehensive Income	Amount
Parent								
Ludlow Jute & Specialities Limited	98.45	15712.85	99.48	674.66	100.00	69.20	99.53	743.86
Subsidiaries (Indian)								
Ludlow Exports Limited	0.19	31.07	0.17	1.18	–	–	0.16	1.18
Sijberia Industries Limited	0.76	120.71	0.19	1.26	–	–	0.17	1.26
Minority Interest in all Subsidiaries	0.60	96.05	0.16	1.07		–	0.14	1.07

53. The Board of Directors of the Company has recommended to pay a final dividend @ 20% (₹ 2.00 per share on Face Value of ₹ 10/-) amounting to ₹ 215.46 lakhs (which will attract liability towards Dividend Distribution Tax amounting to ₹ 44.29 lakhs) subject to the approval of shareholders in the Annual General Meeting.

54. Transition to Ind AS

These consolidated financial statements, for the year ended 31st March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles in India (Previous GAAP).

Accordingly, the Company has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on or after 31st March 2018, together with the comparative period data as at and for the year ended 31st March 2017, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Company's opening statement of financial position was prepared as at 1st April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP consolidated financial statements as at 1st April 2016 and the consolidated financial statements as at and for the year ended 31st March 2017.

Exceptions and Exemptions Applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain Ind AS, effective for 1st April, 2016 opening Balance Sheet. In preparing these Consolidated Financial Statements, the Company has applied the below mentioned mandatory exceptions and optional exemptions.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

I. Applicable Mandatory Exceptions

(i) Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period. The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statement that were not required under the previous GAAP are listed below :

- Fair Valuation of financial instruments carried at FVTPL

- Determination of the discounted value for financial instruments carried at amortized cost.

(ii) Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

II. Optional Exemptions Availed

(i) Property Plant and Equipment and Intangible Assets

The company has elected to measure items of Property Plant & Equipment and Intangible Assets at its carrying value at the Transition Date except for land which is measured at fair value as deemed cost.

(ii) Determining whether an arrangement contains a Lease

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transitional provision and has assessed all the arrangements at the date of transition.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

(₹ in lakhs)

55. Transition to Ind AS and Reconciliations

(i) Reconciliation of material items of Balance Sheet as at 1st April 2016 (Transition Date) and as at 31st March 2017

	Particulars	Notes	As at March 31, 2017 (End of Last Period presented under previous GAAP)			As at April 1, 2016 (Date of Transition)		
			Previous GAAP	Effect of Transition to IND AS	IND AS	Previous GAAP	Effect of Transition to IND AS	IND AS
I)	ASSETS							
1)	NON CURRENT ASSETS							
	a) Property, plant and equipment	I	3,034.32	11,179.53	14,213.85	2,619.02	11,187.73	13,806.75
	b) Capital Work in Progress		112.55	-	112.55	83.40	-	83.40
	c) Goodwill		(1)	-	(1)	(1)	-	(1)
	d) Financial Assets							
	(i) Investment	III	1.68	6.32	8.00	1.73	2.87	4.60
	(ii) Loans	V, VI	93.32	(1.41)	91.91	22.26	(1.83)	20.43
	(iii) Other financial assets		-	-	-	95.00	-	95.00
	e) Non Current Tax assets		21.26	-	21.26	21.03	-	21.03
	f) Other non-current assets	VI	192.34	0.79	193.13	72.20	1.24	73.44
			3,455.47	**11,185.23**	**14,640.70**	**2,914.64**	**11,190.01**	**14,104.65**
2)	CURRENT ASSETS							
	a) Inventories	VIII	5,925.94	(1.04)	5,924.90	6,206.26	(4.50)	6,201.76
	b) Financial assets							
	(i) Trade receivables	X	2,372.16	246.40	2,618.56	2,519.62	595.68	3,115.30
	(ii) Cash and cash equivalents		238.53	-	238.53	198.77	-	198.77
	(iii) Bank Balances other than Note No. (ii) above		106.50	-	106.50	52.61	-	52.61
	(iv) Other financial assets		224.35	1.51	225.86	232.52	4.20	236.72
	c) Other current assets	V, IX	422.03	4.52	426.55	385.08	0.45	385.53
	d) Current Tax Assets (Net)	VI, IX	0.81	-	0.81	1.94	-	1.94
			9,290.32	**251.39**	**9,541.71**	**9,596.80**	**595.83**	**10,192.63**
	TOTAL ASSETS		**12,745.79**	**11,436.61**	**24,182.41**	**12,511.44**	**11,785.84**	**24,297.28**
II)	EQUITY AND LIABILITIES							
1)	EQUITY							
	a) Equity Share Capital		1,079.77	-	1,079.77	1,079.77	-	1,079.77
	b) Other Equity		3,661.57	11,123.29	14,784.86	2,921.83	11,311.22	14,233.05
	c) Non Controlling Interest		95.09	0.96	96.05	94.02	0.96	94.98
	TOTAL EQUITY		**4,836.43**	**11,124.25**	**15,960.68**	**4,095.62**	**11,312.18**	**15,407.80**
2)	LIABILITIES							
i)	NON-CURRENT LIABILITIES							
	a) Financial liabilities							
	(i) Borrowings	II	197.33	(6.27)	191.06	342.06	(3.84)	338.22
	(ii) Other financial liabilities		-	-	-	-	-	-
	b) Provisions		154.87	-	154.87	146.19	-	146.19
	c) Deferred tax liabilities (Net)	XI	108.44	4.73	113.17	61.28	5.61	66.89
	d) Non- Current Tax Liabilities (Net)		30.15	-	30.15	-	-	-
	e) Other Non-current liabilities	VII	-	46.05	46.05	-	48.08	48.08
			490.79	**44.51**	**535.30**	**549.53**	**49.85**	**599.38**
ii)	CURRENT LIABILITIES							
	a) Financial liabilities							
	(i) Borrowings	II	3,953.40	246.40	4,199.80	3,508.85	595.68	4,104.53
	(ii) Trade payables							
	Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises		1,892.66	-	1,892.66	2,215.08	-	2,215.08
	(iii) Other financial liabilities	II,V	1,070.25	2.43	1,072.68	1,042.36	(1.08)	1,041.28
	b) Other current liabilities	VII	244.85	19.03	263.88	255.22	23.70	278.92
	c) Provisions		212.39	-	212.39	770.51	(194.49)	576.02
	d) Current Tax Liabilities (Net)		45.02	-	45.02	74.27	-	74.27
			7,418.57	**267.87**	**7,686.43**	**7,866.29**	**423.81**	**8,290.10**
	TOTAL LIABILITIES		**7,909.36**	**312.38**	**8,221.73**	**8,415.82**	**473.66**	**8,889.48**
	TOTAL EQUITY AND LIABILITIES		**12,745.79**	**11,436.63**	**24,182.41**	**12,511.44**	**11,785.84**	**24,297.28**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

55. (ii) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

	Particulars	Notes	Previous GAAP For the year ended 31st March, 2017	Effect of Transition to Ind AS	IND AS For the year ended 31st March, 2017
I)	**Income**				
	Revenue from Operations	V	35,598.05	345.65	35,943.70
	Other Income	III, VI, VII, IX	141.03	33.80	174.83
	Total Income (I)		**35,739.08**	**379.45**	**36,118.53**
II)	**Expenses**				
	Cost of Materials Consumed		20,408.94	-	20,408.94
	Changes in Inventories of Finished Goods, Work In Progress		(225.72)	-	(225.72)
	Employee benefits expense	V	8,035.16	103.39	8,138.55
	Finance Costs	II	283.49	1.08	284.57
	Depreciation and amortization expense	I, VII	502.97	29.61	532.58
	Excise Duty (Cess)	V	-	345.65	345.65
	Other expenses	VIII, VI	5,624.20	(2.59)	5,621.61
	Total Expenses (II)		**34,629.04**	**477.14**	**35,106.18**
III)	**Profit before Taxation (I-II)**		**1,110.04**	**(97.69)**	**1,012.35**
IV)	**Tax Expenses**				
	Current Tax		321.96	-	321.96
	Deferred Tax	XI	47.16	(35.06)	12.10
	I. Tax for earlier years		0.12	-	0.12
	Total Tax Expenses (IV)		**369.24**	**(35.06)**	**334.18**
V)	**Profit for the year (III-IV)**		**740.80**	**(62.62)**	**678.17**
	Less: Non Controlling Interest		1.07	-	1.07
	Profit for the year		**739.73**	**(62.62)**	**677.10**
VI)	Other Comprehensive Income (OCI)				
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
	Re-Measurement gains/(losses) on defined benefit plans		-	103.39	103.39
	Income tax effect on above		-	(34.19)	(34.19)
	Other Comprehensive Income for the year, net of tax		**-**	**69.20**	**69.20**
VII)	**Total Comprehensive Income for the year (V+VI)**		**740.80**	**6.58**	**747.37**

55. (iii) Reconciliation of Total Equity as on March 31, 2017 and April 1, 2016

Particulars	Note on First Time Adoption	As at March 31, 2017 (End of Last Period presented under previous GAAP)	As at April 1 , 2016 (Date of Transition)
Equity attributable to equity holders of the parent under Previous Indian GAAP		4,741.34	4,001.60
On account of Fair Valuation of Land	I	11,096.77	11,096.77
On account of Amortization of Processing Fees on Long-Term Borrowings as per EIR Method	II	3.83	4.91
On account of measuring Investments at Fair Value	III	6.32	2.87
Reversal of Proposed Dividend & Corporate Dividend Tax	IV	-	194.50
On account of Fair valuation of Security Deposits	VI	(0.16)	(0.13)
On account of Government Grant accounting as Deferred Revenue	VII	13.18	12.04
On account of Capitalisation of Stores and Spares under PPE	VIII	2.50	(2.40)
On account of Forward Contract	IX	5.58	8.27
Deferred Tax Impact on the above	XI	(4.73)	(5.61)
Total Adjustment to Equity		**11,123.29**	**11,311.22**
Equity attributable to equity holders of the parent under Ind-AS		**15,864.63**	**15,312.82**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

55. (iv) Notes to the reconciliation of Balance Sheet & Equity as at 1st April, 2016 and March 31st, 2017 and Profit or Loss for the year ended March 31, 2017.

Explanations to the material adjustments made in the process of Ind AS transition from previous GAAP

I) **Fair Valuation as deemed Cost for Property Plant & Equipment**

The Company have considered fair value for one item property i.e. Land measuring 149.64 acres situated in Chengail, Howrah, West Bengal in India with favourable impact of ₹ 11096.77 lakhs in accordance with stipulations of Ind AS 101 with the resultant impact of accumulation in reserves.

II) **Long term borrowings**

Under Indian GAAP, the Company accounted for long term borrowings measured at transaction value. Under Ind AS, the Company has recognised the long term borrowings at amortised cost using effective interest rate (EIR).

III) **Fair Valuation of Financial Instruments**

Under the Indian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March 2017.

IV) **Proposed Dividend & Dividend Distribution Tax**

Under Indian GAAP till Financial Year 2015-16 proposed dividends including Dividend Distribution Taxes (DDT) were recognized as a liability in the period to which they relate, irrespective of when they were declared. Under Ind AS, a proposed dividend is recognized as a liability in the period in which it is declared by the Company (usually when approved by shareholders in a general meeting) or paid.

Since declaration of dividend occurs after period end in the Company, the Provision for proposed dividend has been derecognized against retained earnings on 1st April 2016 and Liabilities recognized in the year ended 31st March 2017.

V) **Re-classifications**

a) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.

b) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCI.

c) Jute Manufacturing Cess on sales was earlier netted off with Sales, now have been presented separately.

VI) **Leases**

a) Under Ind AS, where the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, straight lining of lease is not required. The same was required under AS-19. The Company has initially recognised security deposit paid to the lessor at fair value and subsequently at amortised cost as per Ind AS 109.

VII) **Deferred Revenue**

Under Indian GAAP, grants received from government agencies against specific fixed assets (Property, Plant and Equipment) are adjusted to the cost of the assets. Under Ind AS the same has been presented as deferred revenue being amortised in the statement of profit & loss on a systematic basis.

VIII) **Stores and Spares**

The Company accounted for certain spares which are capable of being used for more than one accounting period or which can be used specifically only in combination with another fixed assets as part of inventories under IGAAP. Under Ind AS, any asset which satisfies the criteria of Ind AS 16 mentioned above needs to be accounted for as a part of Property, plant and equipment. Accordingly, the Company has done an assessment of the relevant inventory and reclassified such items from inventory to Property, plant and equipment.

IX) **Forward Contract**

Under Ind AS mark to market gain/loss on restatement of forward contract as at the reporting date has been recognized in the statement of profit & loss.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in lakhs)

X) **Bill Discounting**

Under IGAAP, trade receivables derecognised by way of bills of exchange were shown as contingent liability since there was a recourse clause. Under Ind AS, the trade receivable have been restated with corresponding recognition of short term borrowings of ₹ 246.40 as on March 31st, 2017 and ₹ 595.68 as on 1st April, 2016.

XI) **Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

56. Previous GAAP figures have been reclassified/regrouped to conform the presentation requirements under Ind AS and the requirements laid down in division -II of the Schedule - III of the Companies Act, 2013.

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.
For **JITENDRA K AGARWAL & ASSOCIATES**
Chartered Accountants
Firm Registration No - 318086E

For and on behalf of the Board

SUPRIO GHATAK
Partner
Membership No. 051889
5A, Nandlal Jew Road, Kolkata - 700026
The 7th day of May, 2018

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

Ludlow's Consumer Products

www.ludlowjute.com

QUALITY-PLUS KEEPS US AHEAD

LUDLOW JUTE & SPECIALITIES LIMITED

KCI Plaza, 4th Floor, 23C, Ashutosh Chowdhury Avenue,
Kolkata - 700 019
West Bengal, INDIA

print@manjari.net

LUDLOW JUTE & SPECIALITIES LIMITED

CIN: L65993WB1979PLC032394
Registered Office: KCI Plaza, 4th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata-700019
Phone: 91-33-4050 6300/6330/31/32, **Fax No:** 91-33-4050 6333/6334
E-mail: investors.grievance@ludlowjute.com, **Website:** www.ludlowjute.com

PROXY 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]

Serial No.	
Name of Member(s)	
Registered Address	
Email ID	
Folio No./DP ID & Client ID	

I/We, being the member(s), of Ludlow Jute & Specialities Limited holding…………………………shares hereby appoint:

1) Name..Address...
Email ID..Signature...or failing him;
2) Name..Address...
Email ID..Signature...or failing him;
3) Name...Address...
Email ID...Signature...

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the **39th Annual General Meeting** of the Company, to be held on **Thursday, 13th September, 2018** at **11.00 a.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 resolutions as are indicated below:

Resolution No.	Description	Optional*	
Ordinary Business		**For**	**Against**
1.	To receive, consider and adopt the Audited Financial Statements (including the consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2018 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, 2018.		
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 the appointment of Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s).		
Special Business			
5.	Ratification of the remuneration of the Cost Auditors.		
6.	Appointment of Shri Bharat Kumar Jalan (holding DIN 00876208), as an Independent Director.		

Signed this ……………………..day of …………………………………..2018.
Signature of the shareholder(s) …………………………………………….
Signature of Proxy holder(s) ………………………………………………

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of 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 to 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 the above box before submission.

LUDLOW JUTE & SPECIALITIES LIMITED

CIN: L65993WB1979PLC032394
Registered Office: KCI Plaza, 4th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata-700019
Phone: 91-33-4050 6300/6330/31/32, **Fax No:** 91-33-4050 6333/6334
E-mail: investors.grievance@ludlowjute.com, **Website:** www.ludlowjute.com

ATTENDANCE SLIP

Serial No.	
Name of Member(s)	
Registered Address	
Folio No./DP ID & Client ID	
No. of shares held	

I hereby record my presence at the Annual General Meeting of Ludlow Jute & Specialities Ltd. to be held at **Shripati Singhania Hall in Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700 020** on **Thursday, 13th September, 2018** at **11.00 a.m.**

……………………………………………………….
Member's/Proxy's name in Block letters

……………………………………….
Member's/Proxy's signature

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

E-VOTING PARTICULARS

EVSN (E-voting Sequence Number)	User ID	Password/PIN

Note: Please read instructions given in the Notice of the 39th Annual General Meeting carefully before voting electronically.

The e-voting facility will be available during the following voting period:

Commencement of E-voting	End of E-voting
Monday 10th September, 2018 (09.00 a.m)	Wednesday 12th September, 2018 (05.00 p.m.)