

BOARD OF DIRECTORS

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

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Registered Office

6, Little Russell Street
Kolkata - 700 071

Works

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

Bankers

Central Bank of India
Allahabad Bank

Auditors

Singhi & Co.
Chartered Accountants

Resident Director

B. M. Thakkar

Vice President (Finance & Accounts)

R. K. Gupta

Registrar and Share Transfer Agents

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

NOTICE**TO THE SHAREHOLDERS**

NOTICE is hereby given that the Thirty Second Annual General Meeting of the members of **LUDLOW JUTE & SPECIALITIES LIMITED** (formerly Aekta Limited) will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata 700 020 on Thursday, 11th August, 2011 at 3:00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March 2011, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri J. K. Bhagat,

4. who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri I. P. Poddar, who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

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

Registered Office :
6, Little Russell Street
Kolkata - 700 071
30th day of May, 2011

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

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution/Power of Attorney, authorizing their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books shall remain closed from 27.07.2011 to 11.08.2011 (both days inclusive).
4. Dividend, if approved by the shareholders at the AGM, will be paid within 30 days from the date of AGM, to those Members -

- (a) Whose names appear as Beneficial Owners as at the end of business hours on 26.07.2011 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 26.07.2011.

5. Dividend which remain unpaid/unclaimed over a period of seven years will have to be transferred by the Company to 'Investor Education and Protection Fund' of the Central Government under Section 205A & 205C of the Companies Act, 1956. Shareholders are advised to encash the unpaid dividend warrants before transfer to the above referred fund.
6. Members are requested to notify immediately any change of address and also particulars of their Bank Accounts viz., Name of the Bank, branch, complete address of the Bank and Bank account number for printing the same on the Dividend Warrants to avoid fraudulent encashment :
 - to their Depository Participants (DP) in respect of their Demat Account(s); and
 - to the Company at its registered office or to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form.
7. The Company will be providing ECS facility to the shareholders, whereby they will be able to receive their dividend by direct electronic credit to their bank account(s). In the absence of availing of the ECS option by the shareholders, the Company shall send the dividend warrants by post in the normal manner. Members holding shares in physical form are requested to fill in the form provided along with this Annual Report and send it to the Company's

- Registrars and Share Transfer Agents. Shareholders holding shares in demat form are required to furnish such details to their respective depository participants, if not furnished earlier.
8. Members are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company, for admission to the meeting hall.
 9. Members who hold shares in dematerialized form, are requested to furnish their Client ID and DP ID numbers to facilitate identification of membership at the Meeting.
 10. Shareholders, who have not dematerialized their shares as yet, are advised to have their shares dematerialized to avail the benefit of paperless trading.
 11. In all correspondences with the Company/Registrar & Share Transfer Agents, members are requested to quote their folio number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID number.
 12. Members can avail the nomination facilities under Section 109A of the Companies Act, 1956 by filing Form No.2B with the Registrars and Transfer Agents, MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029 (in the case of physical shares) or to the Depository.
 13. Members are requested to notify immediately any change of address to the Depository Participants in respect of electronic share accounts and to the Registrars and Transfer Agents, MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029 in respect of physical share accounts.
 14. In case the mailing address mentioned in the Annual Report is without the Pin Code, members are requested to inform their Pin Code immediately.
 15. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 16. Members are requested to bring their copy of the Annual Report to the Meeting.
 17. The share certificates with previous name of the Company viz. 'Aekta Limited', are acceptable for transfer/ demat etc. The stickers bearing the change of name of the Company to 'Ludlow Jute & Specialities Limited' had been dispatched to the shareholders holding shares in physical mode. If any shareholder has not received the stickers with the Company's new name, they may write to the Company or to the Registrars for the required number of stickers.
 18. Re-appointment of Directors :
The information and/or details pertaining to the appointment of the retiring Director, being eligible for re-appointment, to be provided in terms of clause 49 of the Listing Agreement with the Stock Exchange(s), has been provided in the Corporate Governance Report.

19. Green Initiative in Corporate Governance - Email id's :

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies after considering Sections 2,4,5 and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through electronic mode.

Section 53 of the Companies Act, 1956 provides service of documents under 'Certificate of Posting' as one of the accepted mode of service. Whereas the Department of Posts has recently discontinued the postal facility under 'Certificate of Posting' vide their letter dated 23.02.2011. The Information Technology Act, 2000 also permits service of documents etc. in electronic mode.

Keeping in view of above, it is hereby clarified that a Company would have complied with Section 53 of the Companies Act, 1956 if the service of document has been made (on and after the date of 17.04.2011) through electronic mode provided the Company has obtained e-mail addresses of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholders to register their e-mail address and changes therein from time to time with the Company.

We are sure that you would appreciate the 'Green Initiative' taken by MCA to save our environment and your Company's desire to participate in such initiative. **The Company therefore requests all its shareholders/members to kindly register their proper e-mail addresses and the changes therein from time to time, with the Company or with its Registrar & Share Transfer Agents, so as to enable the Company to send the requisite documents in electronic form to the email address that will be provided by you and to those email id's already made available to us by the Share Registrar & Transfer Agents of the Company.**

In cases where any member has not registered his e-mail address with the Company, the service of document etc. will be effected by other modes of service as provided under Section 53 of the Companies Act, 1956.

Since it is a new initiative and the members are yet to get accustomed to the same, hence for the larger interest & benefit of its members, this time, the Company will be sending the hard copy of the Annual Report for the year 2010-2011 as usual.

On sending the Annual Reports, the Company will immediately thereafter adopt the Green Initiative in Corporate Governance and hence hereby through this communication gives all the members an advance opportunity to register their email id's as mentioned above.

Registered Office :
6, Little Russell Street
Kolkata - 700 071
30th day of May, 2011

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

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Annual Report and Audited Accounts along with the Auditor's Report thereon of the Company for the year ended 31st March, 2011.

(Rs. in crores)

FINANCIAL RESULTS	2010-2011	2009-2010
Profit before Depreciation	24.44	8.09
Less : Depreciation	2.70	2.56
Profit for the year	21.74	5.53
Less : Provision for Current Taxation	5.74	2.20
Less/(Add) : Provision for Deferred Taxation	1.43	(0.08)
Less : Income Tax for earlier years	0.04	0.07
Profit after Tax	14.53	3.34
(Less)/Add : Balance brought forward from last year	5.12	3.83
Balance carried forward and available for appropriation	19.65	7.17
Appropriated as under :		
Transfer to General Reserve	1.45	0.17
Proposed Dividend	2.69	1.62
Corporate Dividend Tax	0.44	0.26
Balance carried to Balance Sheet	15.07	5.12

DIVIDEND

In view of the excellent working results during the year, the Board of Directors are pleased to recommend a dividend of Rs.2.50 per share (i.e. 25%) on 1,07,73,120 equity shares, aggregating to Rs.2,69,32,800 excluding Corporate Dividend Tax of Rs.43,69,173 subject to approval of the members of the Company.

OPERATIONS

During the year under review, the Company's sale was Rs.316.97 crores and export was Rs.133.25 crores against sales of Rs.195.08 crores and export of Rs.51.49 crores during the previous year. The production during the financial year was 51910 M.T. against 41447 M.T. during the previous year.

There was an industry wide strike for 62 days in the previous year and as such the above figures are not comparable.

Continuous thrust on modernization and

diversification has helped your Company to adjust the product mix as per market requirements. Timely purchase of Raw Jute and aggressive export efforts helped the Company to achieve better working results despite the raw jute quality being affected during the year due to absence of rain water while retting.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

- The Jute Packaging Materials (Compulsory use for Packing Commodities) Act 1987 (JPMA), which makes it compulsory for 100% packaging of Food grains and Sugar in Jute was extended till June, 2011. However, in violation of the said orders, many Sugar Mills used other Packaging Products.
- Jute Mills in Bangladesh enjoy lower wages, lower power cost and substantial Government assistance. The Indian Jute Industry is

handicapped on this account. Additional marketing assistance is required for Indian Jute goods, particularly jute yarn to be competitive in the international markets.

OPPORTUNITIES AND THREATS/RISKS AND CONCERNS

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

- a) Competition from Bangladesh, which enjoys substantial benefits of lower wages and power cost, apart from getting sizeable Government assistance against exports.
- b) Unabated imports of all jute goods from Bangladesh to India have a dampening effect on prices of Indian jute goods and consequently affect margins.
- c) Crisis in West Asian countries has resulted in serious reduction in Jute Yarn exports due to a contraction of the Carpet Industry in those countries.
- d) Growing competition with cheaper synthetics.
- e) Continuous increase in Dearness Allowance of workers, without any corresponding increase in productivity which may lead to further increase in wage cost, which is already substantially higher than competitors in Bangladesh.
- f) Establishment of new units who pay lower wages and also receive fiscal incentives for investment. This leads to unequal competition, as existing mills are denied this opportunity, thus impeding the modernization and diversification of existing units.
- g) Unprecedented absenteeism of workmen in jute mills resulting not only in idle capacity but also resulting in substantially lower productivity in the absence of skilled workers. Willful absenteeism without prior notice is a cause of serious concern.

OPPORTUNITIES

Jute is a Biodegradable product and in light of environmental concerns is most suitable to replace synthetics and other materials which pose ecological

problems. Jute finds usage in diverse applications. Further research and development is imperative to develop suitable substitutes for synthetics.

SEGMENTWISE OR PRODUCTWISE PERFORMANCE

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

Within India	Rs. 178.95 crores
Outside India	Rs. 133.25 crores
Total	<u>Rs. 312.20 crores</u>

OUTLOOK

During the current year, Raw Jute Crop is expected to be higher than last year subject to weather conditions being favourable, which will result in raw jute prices remaining at reasonable levels and not exorbitantly high, as has been in the past year. The export market, however, particularly Jute Yarn is likely to be seriously affected due to uncertainty in West Asia. Absenteeism and consequent loss in productivity and production, as already mentioned earlier, is a cause of serious concern notwithstanding higher wage costs, as a result of inflation, continuing to remain at inordinately high levels.

New developments in the form of lighter bags as well as hydro carbon free jute products will offer opportunities to expand the applications for jute products which require continued research and development.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

As a result of better marketing strategy, improvement in productivity and other measures undertaken, the Company has been able to increase its production

and productivity and procure substantial export orders during the year and thereby achieve an all round improvement in production, sales, export and profitability during the year. With continuous thrust on modernization, new product development, productivity and cost control measures, the Company looks to the future with optimism and strength.

CAUTIONARY STATEMENT

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

ISO CERTIFICATION

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

DIRECTORS

Shri J.K. Bhagat and Shri I.P. Poddar retire from the Board by rotation, and being eligible, offers themselves for reappointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial

year and of the profit or loss of the Company for the year under review;

- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2011, on 'a going concern' basis.

CORPORATE GOVERNANCE REPORT

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

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

AUDITORS AND AUDITORS' REPORT

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

Pursuant to provisions of Section 233B of the Companies Act, 1956, Messrs Prasad & Co., Cost Accountants has been appointed, subject to requisite approval of the Central Government, to conduct an audit of the Cost Accounts maintained by the Company for the year ending 31st March, 2012.

During the year, the Company has fully provided for gratuity as per actuarial valuation basis in compliance

Ludlow Jute & Specialities Limited

with revised Accounting Standard 15. Further the Company has funded with HDFC Life Insurance Corporation a sum of Rs. 6 crores towards the gratuity fund of the workmen of the Company.

PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956, and the Rules made there under, particulars of the employees concerned are given in the Annexure, which is attached hereto and forms part of the Directors' Report.

ENERGY CONSERVATION

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in Report

of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this Report.

SUBSIDIARY

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

APPRECIATION

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

Registered Office :
6, Little Russell Street,
Kolkata - 700 071.
The 30th day of May, 2011

For and on behalf of the Board

S. S. Kanoria
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2011.

I. CONSERVATION OF ENERGY :

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

- (a) During the year, the Company has taken various measures to economize on Electricity consumption by –
- Installing lower H.P. Motors, wherever possible.
 - Replacement of old Motors with new Energy Efficient Motors.
 - Installation of TFC lights to reduce Power Consumption.
 - Continuous replacement of conventional choke with electronic choke.
 - Optimization of machine speed, particularly in Spinning Frames, keeping in view the optimum productivity.
 - Change of Belts to reduce slippage and better utilization and conservation of power.
 - Maintenance of all machines, including boiler and compressor to make them energy efficient and minimize losses.
- (b) The Company has been making investment on continuous basis for the purpose of Energy Conservation.
- (c) Impact of measures undertaken and under process is reflected in lower consumption of electricity per M.T. of finished goods production during the year.
- (d) The Company has engaged Tata Consultancy Services to conduct Energy Audit, System Audit and to prepare a feasibility study to establish a power plant for 3.5 M.W. Power Generator. Their reports are expected shortly.

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

	2010-2011	2009-2010
A. Power & Fuel Consumption :		
1. Electricity :		
a) Purchased :		
Unit (in lacs)	224.85	178.62
Total Amount (Rs. in lacs)	1222.14	836.81
Rate / unit (Rs.)	5.44	4.68
b) Own Generation :		
Through Diesel Generator		
Unit (in lacs)	3.27	7.71
Unit per litre of Diesel Oil	2.78	2.76
Cost / unit (Rs.)	15.04	12.58
2. Coal (used for generation of steam in boiler) :		
Quantity (in tons)	313	573
Total Cost (Rs. in lacs)	13.87	27.42
Average Rate (Rs.)	4424	4785
B. Consumption per unit of production :		
Products (Unit : M.T.)	51910	41447
Electricity (KWH)	439.45	449.56
Coal (Steam Kgs.)	31	69

II. TECHNOLOGY ABSORPTION :

Research & Development (R & D)

(a) Specification of technology :

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

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

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

(d) Expenditure on R & D :

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

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(a) Export activities :

During the year under review, the FOB value of the exports of the Company was Rs. 12623 lacs as against Rs. 4980 lacs in the last year.

(b) Total foreign exchange used and earned :

Used - Rs. 4084 lacs
 Earned - Rs. 13802 lacs

Registered Office :
 6, Little Russell Street,
 Kolkata - 700 071.
 The 30th day of May, 2011

For and on behalf of the Board

S. S. Kanoria
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

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

and forming part of the Directors' Report for the year ended 31st March, 2011 in respect of the employees in receipt of remuneration* for the year, aggregating not less than Rs. 60,00,000/- per year or Rs. 5,00,000/- per month.

Name	Designation	Gross Remuneration Received (Rs.)	Qualification	Experience (years)	Date of joining	Age (years)	Particulars of last employment held
1. Shri S. S. Kanoria	Executive Chairman	1,06,36,306	B. A. (Hons.)	61	01.10.2007	83	Kirtivardhan Finvest Services Limited as Executive Chairman
2. Shri D. K. Bubna	Executive Director cum Company Secretary	58,95,596	M.Com, LLB, FCS, FICWA	45	09.12.1995	64	Anglo India Company Limited as President

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

2.1 Composition of the Board

The strength of the Board of Directors as on 31st March, 2011 is 9 (nine), comprising of 7 (seven) non-executive out of which 6 (six) are non-executive, independent Directors. More than 75% of the present Board are non-executive. The Board is headed by the Executive Chairman. The Company, therefore meets with the requirements relating to the composition of Board of Directors as laid down in Clause 49.

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

4 (four) meetings of the Board of Directors were held during the year ended 31st March, 2011. The intervening period between two Board Meetings was well within the maximum time gap of four months prescribed in Clause 49 of the Listing Agreement.

The meetings were held on :

- | | |
|--------------------|---------------------------|
| 1. 24th May, 2010 | 3. 25th October, 2010 and |
| 2. 30th July, 2010 | 4. 31st January, 2011. |

The composition and category of the Directors on Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also number of directorships and committee memberships/chairmanships and number of shares held by them as on 31st March, 2011 are as follows :

Name of Directors	Position held	Category/ Classification	No. of Board Meetings attended	Attend-ance in last AGM	No. of shares held	No. of other Director-ships	Details of other Board Committee Membership	
							Member	Chairman
Shri S. S. Kanoria	Chairman	Executive	4	No	5200	5	-	-
Shri R. V. Kanoria	Director	Non-Executive Non-Independent	4	Yes	5100	7	1	1
Shri A. C. Mukherji	Director	Non-Executive Independent	4	Yes	-	7	5	4
Shri J. K. Bhagat	Director	Non-Executive Independent	3	Yes	-	5	4	-
Shri I. P. Poddar	Director	Non-Executive Independent	4	Yes	-	1	-	-
Shri B. Choudhuri	Director	Non-Executive Independent	4	Yes	-	10	2	3
Shri L. G. Toolsidass	Director	Non-Executive Independent	3	Yes	-	2	-	-
Shri Satish Kapur	Director	Non-Executive Independent	4	Yes	-	4	1	-
Shri D. K. Bubna	Executive Director cum Company Secretary	Executive	4	Yes	500	1	-	-

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

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

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

2.2 Remuneration of Directors (Executive and Non-Executive)

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

A. Non-Executive Directors

Name of the Directors	Sitting Fees (Rs.)	Salary (Rs.)	Commission (Rs.)	Service Contract	Notice Period	Stock Options
Shri R. V. Kanoria	20000.00	-	-	N.A.	N.A.	N.A.
Shri J. K. Bhagat	25000.00	-	-	N.A.	N.A.	N.A.
Shri A. C. Mukherji	28000.00	-	-	N.A.	N.A.	N.A.
Shri I. P. Poddar	38000.00	-	-	N.A.	N.A.	N.A.
Shri B. Choudhuri	30000.00	-	-	N.A.	N.A.	N.A.
Shri L. G. Toolsidass	27000.00	-	-	N.A.	N.A.	N.A.
Shri Satish Kapur	20000.00	-	-	N.A.	N.A.	N.A.

B. Executive Chairman

Name	Designation	Sitting Fees (Rs.)	Commission (Rs.)	Salary * (Rs.) (during 2010-11)
Shri S. S. Kanoria	Executive Chairman	Nil	64,96,306.00	41,40,000.00

Notes :

- The Executive Chairman is paid remuneration as per his agreement with the Company.
- His re-appointment is for a tenure of three years commencing from 01.10.2010 to 30.09.2013, in the said capacity.
- *Salary includes Basic Salary, Allowances, contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc. the break-up of which is as below :
 - Basic Salary : Rs. 30,00,000.00
 - Perquisites : Rs. 8,40,000.00
 - Provident fund : Rs. 3,00,000.00
 (the above does not include provision for gratuity and leave encashment)
- The Company does not have any scheme for grant of stock options to its Directors or Employees.
- For termination of Agreement, the Company or the Executive Chairman is required to give a notice of three months or three months' salary in lieu thereof.

C. Executive Director

Name	Designation	Sitting Fees (Rs.)	Commission (Rs.)	Salary * (Rs.) (during 2010-11)
Shri D. K. Bubna	Executive Director cum Company Secretary	Nil	21,65,436.00	37,30,160.00

Notes :

- The Executive Director cum Company Secretary is paid remuneration as per his agreement with the Company.
- *Salary includes Basic Salary, Allowances, contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc, the break-up of which is as below :
Basic Salary : Rs. 23,45,600.00
Perquisites : Rs. 11,50,000.00
Provident fund : Rs. 2,34,560.00
(the above does not include provision for gratuity and leave encashment)
- His re-appointment is for a tenure of three years commencing from 01.06.2010 to 31.05.2013, in the said capacity.
- The Company does not have any scheme for grant of stock options to its Directors or Employees.
- For termination of Agreement, the Company or the Executive Director cum Company Secretary is required to give a notice of three months or three months' salary in lieu thereof.

2.3 Re-appointment of Directors :

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

I.	
i. Name of the Director	Shri J. K. Bhagat
ii. Date of birth	22.11.1943
iii. Date of appointment	31.01.2000
iv. Expertise in specific functional areas	An industrialist having rich and vast knowledge of jute industry
v. List of other Directorships held	1) Ginni Filaments Limited 2) The Naihati Jute Mills Company Limited 3) Tyroon Tea Company Limited 4) Ludlow Exports Limited 5) Ginni Flour & Foods Limited 6) Shiva Mercantile & Trading Co. Private Limited 7) Bhagat Refinerers & Chemicals Private Limited 8) Dhanlakshmi Trading Corporation Private Limited 9) Reform Flour Mills Private Limited 10) Vedant Credit Finance Private Limited 11) Lotus Enclave Private Limited
vi. Chairman/Member of Committees of the Board (Other than Company) of the Companies in which he is a Director	Member : 1) Ginni Filaments Limited - Investors / Shareholders' Grievance Committee

	2) Ginni Filaments Limited - Audit Committee
	3) Ginni Filaments Limited - Selection cum Remuneration Committee
	4) Tyroon Tea Company Limited – Investors / Shareholders' Grievance Committee
	5) Tyroon Tea Company Limited - Audit Committee
vii. Shareholding in the Company	NIL

II.

i. Name of the Director	Shri I. P. Poddar
ii. Date of birth	01.04.1935
iii. Date of appointment	07.10.1987
iv. Expertise in specific functional areas	An industrialist having rich business experience especially in textiles
v. List of other Directorships held	1) Calcutta Silk Manufacturing Co. Limited 2) Pioneer Transmissions Private Limited 3) Shantha Busi-Deals Private Limited 4) Shanta Projects Private Limited 5) Surya Developers Private Limited
vi. Chairman/Member of Committees of the Board (Other than Company) of the Companies in which he is a Director	NIL
vii. Shareholding in the Company	NIL

2.4 The Board has periodically reviewed compliance reports of all laws applicable to the Company, placed by the Company.

3. AUDIT COMMITTEE

- (i) The Audit Committee consists wholly of independent Directors having requisite knowledge of finance, accounts and company law. The role and terms of reference of this Committee is in line with Clause 49 of the Listing Agreement with the Stock Exchange. The Committee, inter-alia, acts as a vital link between the statutory and internal auditors and the Board of Directors.
- (ii) At present, the Committee comprises of Shri A.C. Mukherji (as its Chairman) and Shri B. Choudhuri, Shri L.G. Toolsidass, Shri I. P. Poddar as its members. The said Committee is mandated to meet at least four times in a year, once to assess the audited accounts for the year before they are put up to the Board, besides meeting at least once in 4 months in the usual course.
- (iii) 4 (four) Audit Committee meetings were held during the year ended 31st March, 2011, dates being 24.05.2010, 30.07.2010, 25.10.2010 and 31.01.2011. The attendance of each Committee Member is as under :

Name of Member	Status	No. of Meetings attended
Shri A. C. Mukherji	Chairman	4
Shri I. P. Poddar	Member	4
Shri B. Choudhuri	Member	4
Shri L. G. Toolsidass	Member	3

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

4. SHARE TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

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

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

The Committee meets at least once in a month.

- (ii) The Committee looks into redressal of shareholder's complaints like transfer of shares, transmissions, demat and remat of shares etc, redressal of shareholders/investors grievances. In the beginning of the year, there were no outstanding complaints, the total number of complaints received during the year under review were 31 and all were addressed and replied to the satisfaction of shareholders. Outstanding complaints as on 31st March, 2011 was nil.
- (iii) Shri D.K. Bubna, the Executive Director cum Company Secretary is the Compliance Officer of the Company.
- (iv) Business Transacted
- Ratification of share transfers effected by the Executive Director cum Company Secretary.
 - Transfer and transmission of shares.
 - Issue of duplicate share certificates.
 - Consolidation and sub-division of shares.
 - Review of routine complaints and corrective action taken.

5. REMUNERATION COMMITTEE

- (i) The Committee is responsible for recommending to the Board of Directors to review and/or determine and recommend the remuneration package of the executive directors of the Company in accordance with the guidelines laid out by the statute and the Listing Agreement with the stock exchange.
- (ii) The Company has one Executive Chairman and one Executive Director cum Company Secretary on the Board, both of whose re-appointment and remuneration were approved by the Shareholders of the Company on recommendation of the Board of Directors of the Company in the Annual General Meeting of the Company held on 30.07.2010. The same was duly recommended by the Remuneration Committee.

(iii) The present composition of the Remuneration Committee is as under :

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

(iv) 1 (one) meeting of the Remuneration Committee was held for discussing and recommending to the Board, the remuneration of the Executive Chairman and the Executive Director cum Company Secretary of the Company. The said meeting was held on 24.05.2010. The attendance of each Committee Member is as under :

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

6. CODE OF CONDUCT

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

7. GENERAL BODY MEETINGS

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

Annual General Meeting (AGM)	Day, Date & Time	Venue
29th AGM	Thursday, 28th August 2008 at 10:30 A.M.	"Bharatiya Bhasha Parishad" 36A, Shakespeare Sarani, Kolkata - 700 017
30th AGM	Thursday, 27th August 2009 at 11:00 A.M.	"Bharatiya Bhasha Parishad" 36A, Shakespeare Sarani, Kolkata - 700 017
31st AGM	Friday, 30th July 2010 at 3:00 P.M.	"Rotary Sadan" 94/2, Chowringhee Road, Kolkata - 700 020

NOTES :

- (i) No special resolution was passed in the 29th and 30th AGM. There were 2 special resolutions which were passed in the 31st AGM, one pertaining to re-appointment and remuneration of Shri S. S. Kanoria as the Executive Chairman of the Company and the other one was for re-appointment and remuneration of Shri D. K. Bubna as the Executive Director cum Company Secretary of the Company.
- (ii) No Special Resolution through Postal Ballot was passed by the Company in the financial year 2010-2011 nor in 2009-2010.
- (iii) There is no proposal of any special resolution to be passed through postal ballot in the upcoming AGM to be held on 11th August, 2011.

8. DISCLOSURES

- (i) The non-executive Directors have no pecuniary relationship or transactions with the Company in their personal capacity. Non-executive Directors were not paid any remuneration except the sitting fees for attending various meetings of Board/Committees.

- (ii) Related party transactions entered in the ordinary course were placed before the Board. Details of transactions with related parties during the year has been furnished in clause 21 in Schedule N to the Accounts titled as 'Significant Accounting Policies and Notes on Accounts'.
- (iii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or by any other statutory authority on any matter related to capital markets, during the last three years.
- (iv) The Company has an integrated approach to managing risks inherent in various aspects of the business.

9. SUBSIDIARY COMPANY

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

10. MEANS OF COMMUNICATION

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

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

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

11. GENERAL SHAREHOLDERS INFORMATION**11.1 The Registered Office of the Company is situated at**

6, Little Russell Street, Kolkata - 700 071
Phone : (033) 2283-9081/9082/9083
Fax : (033) 2283-9078/4503
e-mail : ludlow@giaclo1.vsnl.net.in
website : www.ludlowjute.com

11.2 Address for Correspondence/Corporate Office is same as given above.**11.3 Plant Location**

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

11.4 Registrar and Share Transfer Agents

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

11.5 Annual General Meeting

Date : 11.08.2011
Day : Thursday
Time : 3:00 p.m.
Venue : Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020

11.6 Book Closure : 27.07.2011 to 11.08.2011 (both days inclusive)**11.7 Listing of Shares & Other Securities :**

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

Listing Fees

The Company has paid listing fees for the financial year 2011-2012 to the Bombay Stock Exchange Limited, where securities of the Company is listed.

11.8 Share Transfer System

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

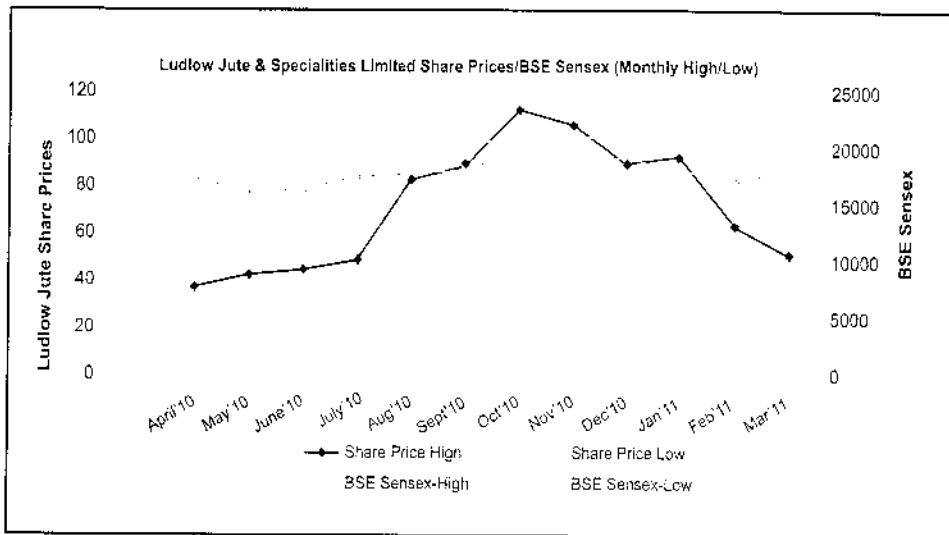
The share certificates, duly endorsed, are being returned immediately after expiry of 30 days from the date of option letter to those who have not opted for simultaneous transfer cum dematerialization.

11.9 Market Price Data

The details of monthly high/low market price of the shares at Bombay Stock Exchange Limited during each month of 2010-11 is given hereunder :

Month	Quotation at Bombay Stock Exchange (in Rs.)	
	HIGH	LOW
APR - 2010	36.50	27.55
MAY - 2010	41.60	29.10
JUNE - 2010	44.00	32.10
JULY - 2010	48.00	35.00
AUG. - 2010	82.30	48.50
SEP. - 2010	87.80	67.05
OCT. - 2010	111.90	78.10
NOV. - 2010	105.25	73.25
DEC. - 2010	88.90	68.00
JAN. - 2011	91.95	60.00
FEB. - 2011	62.90	43.00
MAR. - 2011	51.00	43.00

11.10 Stock Performance in comparison to broad based indices



11.11 Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2011 is given below :

No. of Shares (Range defined)	No. of Equity Shares held	No. of Shareholders	Percentage of Shareholding
1 - 500	1426529	9455	13.24
501 - 1000	351323	420	3.26
1001 - 2000	238728	155	2.22
2001 - 3000	157501	61	1.46
3001 - 4000	108465	30	1.01
4001 - 5000	85067	18	0.79
5001 - 10000	226719	31	2.10
10001 - 50000	476643	24	4.43
50001 - 100000	186452	3	1.73
And above	7515693	6	69.76
	10773120	10203	100.00

11.12 Shareholding Pattern as on 31st March, 2011

Category	No. of Shares	% of Shareholding
A. Promoters Holding		
a) Indian Promoters	6169170	57.26
b) Foreign Promoters	—	—
Sub Total "A"	6169170	57.26
B. Non-Promoters Holding		
a) Banks, Financial Institutions/ Insurance Companies	600	0.0056
b) Private Corporate Bodies	1444695	13.41
c) Resident Individuals	3151876	29.26
d) NRI/ OCB	5779	0.0536
e) Trust & Foundations	1000	0.0093
Sub Total "B"	4603950	42.74
Grand Total : "A+B"	10773120	100.00

11.13 Dematerialisation of Shares

53.63% i.e. 5776939 Equity Shares of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31.03.2011.

11.14 Financial Calendar 2011-2012

First Quarter Results	: On or before 14th August, 2011
Second Quarter Results	: On or before 14th November, 2011
Third Quarter Results	: On or before 14th February, 2012
Audited Results for the year ended 31.03.2012	: On or before 30th May, 2012
Date of Book Closure	: 27.07.2011 to 11.08.2011 (both days inclusive)
Dividend Payment Date	: On or after 11th August, 2011 (Within the statutory period of 30 days), subject to Shareholders' Approval.

FIVE YEARS PERFORMANCE

	(Rs. in lacs)				
	2007	2008	2009	2010	2011
Sales	12942.91	15537.89	17091.50	19318.02	31387.15
Cash Profit Before tax	346.36	593.02	620.30	808.73	2444.26
Net Profit/(Loss) After tax	141.86	293.08	228.96	333.94	1453.44
Gross Block	6163.22	7139.77	7671.79	8593.75	8893.75
Net Worth	1872.34	1871.45	1943.89	2081.22	3345.69
Debt	—	524.55	547.69	2702.27	1056.97
Cash EPS (Rs.)	3.22	5.50	5.76	7.51	22.69
EPS (Rs.)	1.32	2.72	2.13	3.10	13.49
Dividend (%)	—	10	10	15	25
Installed Capacity (M. Tons)	42954	57500	57500	67500	67500
Production - (M. Tons)	35436	47906	46788	41447	51910

Note : Net Worth is calculated by excluding Revaluation Reserve and Deferred Tax Liability/Assets.

12. CEO/CFO CERTIFICATION

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

13. NON-MANDATORY REQUIREMENTS

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

DECLARATION OF CEO

I confirm that all members of the Board of Directors and senior managerial personnel have affirmed their compliance with the Code of Conduct, for the year 2010-2011.

Place : Kolkata
Date : 30th May, 2011

D. K. Bubna
Chief Executive Officer

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

We have reviewed the compliance of conditions of Corporate Governance by Ludlow Jute & Specialities Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

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

1 B, Old Post Office Street
Kolkata - 700 001
Dated : 30th day of May, 2011

AUDITORS' REPORT**To the Shareholders**

1. We have audited the attached Balance Sheet of **LUDLOW JUTE & SPECIALITIES LIMITED (formerly Aekta Limited)** as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the said Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge

and belief were necessary for the purposes of our audit.

- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
- iv) In our Opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read *with* the accounting policies & Notes on Account in schedule "N" give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date; and
 - c) In the case of the Cash Flow Statement of the Cash flows for the year ended on that date.

1 B, Old Post Office Street
Kolkata - 700 001
Dated : 30th day of May, 2011

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

ANNEXURE TO THE AUDITORS' REPORT

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management as per a based programme of verification of its Fixed Assets adopted by the company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. As per the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) No substantial part of Fixed Assets has been disposed off during the year.
2. (a) According to the information and explanations given to us, the inventories have been physically verified at reasonable interval during the year by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(III)(b) to (d) of the Order are not applicable.
- (e) During the year, the Company has taken unsecured loan amounting to Rs. 11 crores from three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The entire amount was repaid during the year. The maximum amount outstanding at any time during the year was Rs. 11 crores.
- (f) According to the information and explanations given to us we are of the opinion that the above loans have been taken at competitive rates of interest and are not prejudicial to the interest of the company.
- (g) The company was regular in repaying the amount of principal and interest during the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
5. (a) In our opinion, and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 have been duly entered.
- (b) According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at rates which are reasonable having regard to the prevailing market rates at the relevant time.
6. The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Accordingly clause 6(B) of the order is not applicable.
7. In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the Books of Account maintained by the Company in respect of its product as prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have

- been maintained. However, we have not carried out a detailed examination of such accounts and records.
9. (a) The Company has generally been regular in depositing undisputed statutory dues, in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty and Cess with the appropriate authorities.
(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty and Cess outstanding on account of any dispute, other than those stated in Annexure "A" attached herewith.
 10. The Company does not have any accumulated loss as at 31st March 2011. The Company has not incurred any cash loss during the financial year ended on that date and in immediately preceding financial year.
 11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
 12. According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit fund/nidhi/mutual benefit fund/society.
 14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities etc. However it has maintained proper records of the transactions and contracts of the investments dealt in by it and timely entries have been made therein. The investments made by the company are held in its own name except to the extent of the exemption under Section 49 of the Companies Act, 1956.
 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. According to the information and explanations given to us, the Company has not raised any term loan during the year.
 17. According to the information and explanations given to us, funds raised on short term basis have not been used for long term investment.
 18. During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956, and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
 19. The Company has not issued any debentures during the year.
 20. The Company has not raised monies by public issues during the year.
 21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

1 B, Old Post Office Street
Kolkata - 700 001
Dated : 30th day of May, 2011

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

Annexure 'A'

Statement of Statutory dues outstanding on account of disputes, as on March 31, 2011, referred to in para 9(b) of the Auditor's Report

No.	Nature of Dues	Gross Amount (Rs. in lakhs)	Paid under protest	Period to which the amount relates	Forum where dispute is pending
1.	a) Excise Duty	0.43	—	1964 to 1969	Pending at Calcutta High Court
	b) Excise Duty	17.80	3.00	1986-87 to 1991-92	CESAT
2.	a) Sales Tax	33.60	11.20	1999-00 to 2000-01	WBCT(A & R) Board
	b) Sales Tax	22.36	—	2004-05	WBCT(A & R) Board
	c) Sales Tax	171.03	—	2005-06 & 2007-08	D.C.C.T. (CD)
	Total	245.22	14.20		

Balance Sheet as at 31st March, 2011

(Rs. in '000)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	'A'	10,79,77	10,79,77
Reserves & Surplus	'B'	25,82,19	15,23,95
Loan Funds			
Secured Loans	'C'	10,56,97	27,02,27
Deferred Tax Liability (Net)		18,74	—
Total Funds Employed		<u>47,37,67</u>	<u>53,05,99</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	'D'	88,00,10	84,13,74
Less : Depreciation		53,07,65	50,65,41
Net Block		<u>34,92,45</u>	<u>33,48,33</u>
Capital Work-in-Progress		93,65	1,80,01
		<u>35,86,10</u>	<u>35,28,34</u>
Investments	'E'	2,56,39	2,55,18
Deferred Tax Assets (Net)		—	1,24,04
Current Assets, Loans & Advances			
Inventories		36,48,21	62,15,29
Sundry Debtors		10,28,99	7,37,18
Cash & Bank Balances		2,50,15	3,10,84
Loans, Advances & Deposits		10,12,78	5,07,95
		<u>59,40,13</u>	<u>77,71,26</u>
Less : Current Liabilities & Provisions	'G'		
Current Liabilities		34,97,23	46,71,57
Provisions		15,47,72	17,01,26
		<u>50,44,95</u>	<u>63,72,83</u>
Net Current Assets		8,95,18	13,98,43
Total Assets		<u>47,37,67</u>	<u>53,05,99</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS			
	'N'		

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

As per our Report of even date annexed.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

M. L. SHUKLA

Partner

Membership No. 051505

1-B, Old Post Office Street

Kolkata, the 30th day of May, 2011

For and on behalf of the Board

D. K. BUBNA
Executive Director cum
Company Secretary

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

Profit & Loss Account for the year ended 31st March, 2011

(Rs. in '000)

	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
INCOME			
Sales	'H'	3,13,87,15	1,93,18,02
Other Income	'I'	3,31,06	3,45,71
		<u>3,17,18,21</u>	<u>1,96,63,73</u>
EXPENDITURE			
(Increase)/Decrease in Finished Goods and Process Stocks	'J'	(5,01,75)	3,65,44
Raw Materials Consumed	'K'	1,83,99,51	1,01,54,46
Manufacturing, Administrative, Selling and Other Expenses	'L'	1,11,29,49	79,94,19
Interest	'M'	2,46,70	3,40,91
		<u>2,92,73,95</u>	<u>1,88,55,00</u>
Profit/(Loss) Before Depreciation & Tax		24,44,26	8,08,73
Less : Depreciation		3,51,79	3,37,69
Less : Transferred from Revaluation Reserve		82,18	82,18
		<u>2,69,61</u>	<u>2,55,51</u>
Profit/(Loss) Before Tax		21,74,65	5,53,22
Less : Provision for			
Income Tax		5,73,94	2,20,00
Deferred Tax		1,42,78	(8,17)
		<u>14,57,93</u>	<u>3,41,39</u>
Add : Excess FBT Provision written Back		—	2,52
Less : Income Tax Relating to Earlier Year		4,49	9,97
Profit After Tax		<u>14,53,44</u>	<u>3,33,94</u>
Balance brought forward from last A/c		5,12,30	3,83,50
Balance available for appropriation		<u>19,65,74</u>	<u>7,17,44</u>
Transferred to General Reserve		1,45,34	16,70
Proposed Dividend		2,69,33	1,61,60
Corporate Dividend Tax		43,69	26,84
Balance carried to Balance Sheet		<u>15,07,38</u>	<u>5,12,30</u>
Basic & Diluted Earning Per Share Rs. 10 each (in Rs.)		13.49	3.10

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

'N'

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

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
M. L. SHUKLA
Partner
Membership No. 051505
1-B, Old Post Office Street
Kolkata, the 30th day of May, 2011

For and on behalf of the Board

D. K. BUBNA
Executive Director cum
Company Secretary

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in '000)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT/(LOSS) BEFORE TAX & EXTRAORDINARY ITEMS	21,74,65	5,53,22
Adjustments for :		
Depreciation	2,69,60	2,55,51
Depreciation on earlier year w/back	(22,68)	—
Income from Interest	(4,93)	(23,18)
Income from Dividend	(24,09)	(16,45)
Foreign Currency Fluctuation	26	—
Interest Expenses	2,46,71	3,40,91
(Profit)/Loss from sale of Fixed Assets	(18,50)	(32,61)
Provision For Gratuity	3,10,54	1,77,27
Provision For Leave	9,44	16,96
Provision For Land Revenue Tax	1,90	—
Liabilities written back	—	(4,98)
Sundry Balances W/off	14,92	—
Provision for diminution in the value of investment	—	9
	29,57,82	12,66,74
Adjustment for change in Working Capital		
Trade & other receivables	(8,34,89)	18,60
Inventories	25,67,08	(24,50,61)
Trade Payables and Liabilities	(17,67,80)	7,03,64
CASH GENERATED FROM OPERATIONS	29,22,21	(4,61,63)
Income tax paid (including FBT)	6,03,41	3,14,60
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	23,18,80	(7,76,23)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,64,89)	(9,22,72)
Sale/Adjustment of Fixed Assets	24,90	32,61
Sale/(Purchase) of Investment - (Net)	(121)	(10)
Capital Subsidy received	2,06,85	—
Interest Received	4,93	23,18
Dividend Received	24,09	16,45
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	(3,05,33)	(8,50,58)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Payments) from Borrowings	(16,45,29)	21,55,12
Dividend Paid	(1,55,32)	(1,03,51)
Dividend Tax Paid	(26,84)	(18,31)
Interest Paid	(2,46,71)	(2,73,93)
CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(20,74,16)	17,59,37
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(60,69)	1,32,56
OPENING CASH & CASH EQUIVALENTS	3,10,84	1,78,28
CLOSING CASH & CASH EQUIVALENTS	2,50,15	3,10,84
CASH & CASH EQUIVALENTS COMPRISES		
Cash and Bank Balances	2,50,15	3,10,84

Notes :

1. Above statement has been prepared in indirect method.
2. Cash and Cash Equivalents represent "Cash Balance in hand and Balances with Scheduled Banks". Cash & Cash equivalents includes Rs.15,13 (Previous Year Rs. 8,85) in Unpaid Dividend Account and Rs. 7,69 (Previous Year Rs. 78,91) in Margin Money A/c. kept with Scheduled Banks.
3. Figures have been regrouped where ever considered necessary.

As per our Report of even date annexed.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
M. L. SHUKLA
Partner
Membership No. 051505
1-B, Old Post Office Street
Kolkata, the 30th day of May, 2011

For and on behalf of the Board

D. K. BUBNA
Executive Director cum
Company Secretary

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
1,49,90,000 Equity Shares of Rs.10/- each	14,99,00	14,99,00
1,000 Redeemable Preference Shares of Rs.100/- each	1,00	1,00
	<u>15,00,00</u>	<u>15,00,00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,07,73,120 Equity Shares of Rs.10/- each fully paid up (Out of above 6,00,000 Equity Shares issued for consideration other than cash in pursuance of Scheme of arrangement sanctioned by High Court)	10,77,31	10,77,31
Add : Forfeited Shares	2,46	2,46
	<u>10,79,77</u>	<u>10,79,77</u>
SCHEDULE 'B'		
RESERVES & SURPLUS		
Capital Reserve (As per Last Account)	10,54	10,54
Revaluation Reserve (As per Last Account)	3,98,46	4,80,64
Less : Transferred to Profit & Loss Account	<u>82,18</u>	<u>82,18</u>
Share Premium (As per Last Account)	5,85,95	5,85,95
General Reserve (As per Last Account)	16,70	—
Add : Transferred from Profit & Loss Account	<u>1,45,34</u>	<u>16,70</u>
Profit/(Loss) as per Account Annexed	15,07,38	5,12,30
	<u>25,82,19</u>	<u>15,23,95</u>
SCHEDULE 'C'		
SECURED LOANS		
Working Capital Borrowing		
From Banks	10,56,97	27,02,27
	<u>10,56,97</u>	<u>27,02,27</u>

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

Schedules to the Balance Sheet

SCHEDULE 'D'
FIXED ASSETS

(Rs. in '000)

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK					
	Value as at 31.03.2010	Additions during the year	Deductions/Adjustment during the year	Value as at 31.03.2011	Upto 31.03.2010	Provided during the year	Deductions/Adjustment during the year	Depreciations for Addition on Revaluation	Upto 31.3.2011	As at 31.3.2011	As at 31.3.2010
Goodwill	(1)	—	—	(1)	—	—	—	—	—	(1)	(1)
Freehold Land	1,39,09	—	—	1,39,09	—	—	—	—	—	1,39,09	1,39,09
Buildings	15,02,79	32,21	—	15,35,00	10,55,27	8,85	—	47,66	11,11,78	4,23,22	4,47,52
Plant & Machinery	58,32,95	6,33,79	2,89,89	61,76,85	35,61,29	2,05,89	1,05,18	28,71	36,90,71	24,86,14	22,71,66
Workshop Machinery & Installations	21,96	—	—	21,96	21,95	—	—	—	21,95	1	1
Electrical Machinery & Installation	1,35,42	—	—	1,35,42	83,41	6,78	—	1,10	91,29	44,13	52,01
Water Supply Installation	1,35,30	—	—	1,35,30	64,28	2,89	—	2,80	69,97	65,33	71,02
Roads, Drainage & Fencing	55,46	—	—	55,46	19,94	51	—	23	20,68	34,78	35,52
Motor Vehicles & Fork Lifts	4,45,28	6,98	10,17	4,42,09	1,66,24	33,24	4,34	1,68	1,96,82	2,45,27	2,79,04
Furniture & Fixtures, Office Equipments, Air-Conditioners, Telephone Installations & Laboratory Equipments	1,45,49	13,51	7	1,58,93	93,03	11,44	2	—	1,04,45	54,48	52,46
Total	84,13,74	6,86,49	3,00,13	88,00,10	50,65,41	2,69,60	1,09,54	82,18	53,07,65	34,92,45	33,48,33
Previous Year	75,29,08	8,85,40	74	84,13,74	47,28,42	2,55,51	70	82,18	50,65,41	33,48,33	

NOTE : Fixed Assets of the Company excluding minor items, were revalued by an external Independent Valuer on 31st March, 1992 which resulted in increase of Fixed Assets Value by **Rs. 3004.76** lacs on Net Current Replacement Basis. This increase had been transferred to Revaluation Reserve Account. After adjustment in respect of Fixed Assets sold/discarded and Depreciation provided, the Revaluation Reserve now stands at **Rs. 316.28** lacs as on 31.03.2011.

Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2011		As at 31st March, 2010	
SCHEDULE 'E'				
INVESTMENTS				
(Other than Trade)				
A. Long Term				
No. of Shares/ Debentures/Units	Face Value per Share/Debenture/Unit (Rs.)		No. of Shares/ Debentures/Units	
GOVERNMENT SECURITIES				
Unquoted -				
7 years National Saving Certificates (Deposited with Central Excise and Sales Tax Authorities),(Matured)				
		5		5
		<u>5</u>		<u>5</u>
Total Government Securities:				
FULLY PAID UP EQUITY SHARES :				
Quoted -				
50	Alliance Udyog Ltd.	10	50	(5,12)
24	Anglo India Jute Mills Co. Ltd. *	100	24	(4,62)
660	Birla Corporation Ltd.	10	660	1,48
305	Budge-Budge Co. Ltd.*	10	305	1
274	Cheviot Company Ltd.	10	274	7
1035	Delta International Ltd. *	10	1035	20
4	Malanpur Industries Limited (Formerly : Hindustan Development Corpn. Ltd.)	10	4	(2,92)
50	Howrah Mills Company Limited *	10	50	(4,75)
50	The Jagatdal Ind. Ltd.	10	50	(3,58)
19	Kanknarrah Co. Ltd. *	100	19	1
1000203	Kanoria Chemicals & Ind. Ltd.	5	1000203	2,28,32
10	Kelvin Jute Co. Ltd.	10	10	(2,40)
70	Nellimarla Jute Mills Co. Ltd.	10	70	(3,68)
12	New Central Jute Mills Co. Ltd. *	100	12	(88)
100	Presidency Exports & Industries Ltd.	5	100	(1,05)
5430	Bajaj Hindusthan Sugar and Industries Limited	10	5430	2
224	Reliance Ispat Industries Ltd.	10	224	6
200	Solarson Ind. Ltd.	10	200	2
50	The Agarpara Co. Ltd. *	10	50	(1,75)
990	The Auckland International Ltd.	10	990	(7,50)
660	Abhishek Jute & Industries Limited	10	660	(5,00)
5	The Baranagar Jute Factory Co. Ltd.*	5	5	(1,16)
100	Al Champdany Industries.Ltd.	10	100	(3,44)
50	Fort William Industries Ltd.	10	50	2
50	The Ganges Manufacturing Co. Ltd. *	10	50	(3,75)
90	Gillanders Arbuthnot & Co. Ltd.	10	90	13
40	The Gouripore Co. Ltd.	10	40	(1,50)
1176	The Hooghly Mills Co. Ltd.	10	1176	(7,42)
62	The India Jute & Industries Ltd. *	10	62	2
25	The Nuddea Mills Co. Ltd.*	10	25	(50)
7	Waverly Investments Ltd.	1	7	(30)
1200	Willard India Ltd.	10	1200	44
112	Reliance Jute Mills (Int) Ltd.®		112	
FULLY PAID-UP DEBENTURES (Quoted)				
	Malanpur Industries Limited (Formerly : Hindustan Development Corpn. Ltd.)	0	1	(50)
Total of Quoted Investments				<u>2,30,86</u>
Balance Carried over				<u>2,30,91</u>

Schedules to the Balance Sheet

(Rs. in '000)

As at
31st March, 2011

As at
31st March, 2010

SCHEDULE 'E' (Contd.)

No. of Shares/ Debentures/Units	Face Value per Share/Debenture/Unit (Rs.)		No. of Shares/ Debentures/Units	
Balance Brought forward		2,30,91		2,30,91
FULLY PAID-UP EQUITY SHARES :				
Unquoted -				
10 Birds Jute & Exports Ltd.	100	1	10	1
50 National Co.Ltd. *	10	(6,69)	50	(6,69)
200 Santosh Garden Co operative.	10	2	200	2
5 The Alexandra Jute Mills Ltd. *	100	(2,59)	5	(2,59)
50 The Empire Jute Co. Ltd.	10	(1,34)	50	(1,34)
50 Caledonian Jute & Industries	10	(5,05)	50	(5,05)
62 The Khardah Co. Ltd. *	10	(4,76)	62	(4,76)
12 The Kinnison Jute Mills Co.Ltd. *	100	2	12	2
10 The Lawrence Investment & Property Co. Ltd.	100	(9,80)	10	(9,80)
50 The North Brooke Co. Ltd.	10	(8,94)	50	(8,94)
10 Union Jute Co. Ltd. *	100	(7,18)	10	(7,18)
56 RJM Fibres Industries Ltd.	10	(5,74)	56	(5,74)
56 RJM Investment Ltd.	10	(5,46)	56	(5,46)
IN SUBSIDIARY COMPANIES (UN-QUOTED)				
250000 Ludlow Exports Ltd.	10	25,00	250000	25,00
Total of Unquoted Investments		25,11		25,11
Grand Total (Quoted + Un-Quoted Investment)		2,56,02		2,56,02
Less : Prov. for diminution in market value of Investment (Net)		95		95
Value of Investment (Net)		2,55,07		2,55,07
B. Current				
UNITS IN MUTUAL FUNDS (UNQUOTED)				
HDFC Cash Mgmt. Fund	10	0	528.635	6
Retail Option - Daily Dividend Plan (998213.592 Units Subscribed and 997684.957 Units Redeemed during the year)				
Reliance Money Manager	1.000	0	5.295	5
Retail Option - Daily Dividend Plan (10004.981 Units Subscribed and 9999.686 Units Redeemed during the year)				
13138.023 HDFC Cash Mgmt. Fund Treasury advantage plan-Weekly dividend Plan	10	132	—	0
Birla Sunlife Cash Manager - Institutional Dividend - Daily (4015204.15 units subscribed and 4015204.15 units Redeemed during the year)	10	0.00	—	0.00
		1,32		11
GRAND TOTAL		2,56,39		2,55,18

Schedules to the Balance Sheet

SCHEDULE 'E' (Contd.)

	(Rs. in '000)			
	As at 31st March, 2011		As at 31st March, 2010	
	Book Value (Rs.)	Market Value (Rs.)#	Book Value (Rs.)	Market Value (Rs.)
Aggregate Amount of :				
Quoted Investments	2,30,02	2,90,31	2,30,02	3,15,87
Unquoted Investments	26,37		25,16	
	<u>2,56,39</u>	<u>2,90,31</u>	<u>2,55,18</u>	<u>3,15,87</u>

* BIFR Companies

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

In absence of availability of quoted rates, market value of such shares have been considered at Re.1/-

	As at 31st March, 2011	As at 31st March, 2010
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SCHEDULE 'F'

CURRENT ASSETS, LOANS, ADVANCES & DEPOSITS

(A) CURRENT ASSETS

Inventories (as taken, valued and certified by the Management)		
Stores, Spare Parts & Packing	2,24,04	2,46,12
Materials (at cost)		
Stock in Trade		
Raw Jute	19,83,42	50,33,39
(at lower of cost or net realisable value)		
Finished Goods	11,54,70	7,53,86
(at lower of cost or net realisable value)		
Stock-in-Process	2,86,05	1,81,92
(at lower of cost or net realisable value)		
	<u>36,48,21</u>	<u>62,15,29</u>
SUNDRY DEBTORS		
Debts exceeding six months		
Unsecured Considered good	77,51	89,96
Less : Provision for Doubtful Debts	89	89
	<u>76,62</u>	<u>89,07</u>
Other Debts		
Unsecured Considered good	9,52,37	6,48,11
	<u>10,28,99</u>	<u>7,37,18</u>
CASH AND BANK BALANCES		
Cash in Hand (including stamps)	14,93	10,82
(as certified by the management)		
Balances with Scheduled Banks		
in Current Accounts	2,09,05	2,08,87
in Margin Money Account	7,69	78,91
in EEFC Account	3,35	3,39
in Unpaid Dividend Account	15,13	8,85
	<u>2,50,15</u>	<u>3,10,84</u>

Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 'F' (Contd.)		
(B) LOANS, ADVANCES & DEPOSITS		
Advances (recoverable in cash or in kind or for value to be received and/or pending adjustment) (Unsecured, considered good/unless otherwise stated)		
For purchase of goods	63,82	66,41
Advance Tax Net of Provision	1,02,74	1,40,99
Income Tax Refund Receivable	68,22	—
Prepaid expenses	71,22	34,50
To Others	9,77	11,60
To Workmen Advance	37,82	82,44
To Staff	6,36	3,82
Balances with Government Authorities	43,30	42,44
Claims receivable etc.	2,86,63	3,77
DEPB Licence Receivable	3,10,52	1,06,80
Duty Draw Back Receivable	9,70	10,42
Deposits (Unsecured, considered good unless otherwise stated)	2,68	4,76
	<u>10,12,78</u>	<u>5,07,95</u>
SCHEDULE 'G'		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
For Goods	17,94,25	31,13,22
For Expenses (Includes Rs. Nil for Micro, Small and Medium Enterprises, Previous Yr. Rs Nil)	14,86,85	13,27,15
Due to Subsidiary	21,97	21,97
Security & Trade Deposits	12,83	12,80
(Investor Education and Protection fund shall be credited by the following amount namely#)		
Unpaid Dividend	15,13	8,85
(# No amount was due for deposit as on 31st March 2011)		
Other Liabilities	1,66,20	1,20,60
Interest Accrued but not due	—	66,98
	<u>34,97,23</u>	<u>46,71,57</u>
PROVISIONS		
For Disputed Statutory Dues		
i) Employee State Insurance	2,59	2,59
ii) Land Revenue Tax	2,39	49
For Gratuity	11,23,77	14,13,23
For Leave Pay	1,05,95	96,51
For Proposed Dividend	2,69,33	1,61,60
For Proposed Dividend Tax	43,69	26,84
	<u>15,47,72</u>	<u>17,01,26</u>

Schedules to the Profit & Loss Account

(Rs. in '000)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE 'H'		
SALES		
Finished Products (Including Export Sales Rs. 1,33,25,36 Pr.Yr. Rs. 51,48,61)	3,12,20,47	1,93,23,32
Less : Jute Manufacturing Cess Refer note B (6) in Schedule "N"	3,10,10	1,90,07
	<u>3,09,10,37</u>	<u>1,91,33,25</u>
Add : Sales related income Export Benefits	4,76,78	1,84,77
	<u>3,13,87,15</u>	<u>1,93,18,02</u>
SCHEDULE 'I'		
OTHER INCOME		
Depreciation for earlier years w/back	22,68	—
Rent	19,32	12,83
Exchange Fluctuation Gain	5,25	2,19,96
Miscellaneous Income	49,08	35,71
Insurance & Other Claims	1,76,98	5
Excess Liabilities & Credit Balances written back (Net)	—	100
Sundry Balances Written Back	—	4
Adjustments Relating to Previous Year	3,23	3,90
Dividend Received including Rs. 15,00 (Previous Year Rs. 15,07 for Long-term Investments)	24,09	16,45
Interest Received	4,93	23,17
Profit on Sale of Fixed Assets	18,51	32,60
Discount Received	6,99	—
	<u>3,31,06</u>	<u>3,45,71</u>
SCHEDULE 'J'		
(INCREASE)/DECREASE IN STOCK		
OPENING STOCK		
Finished Goods (incl. Semi-finished goods Rs. 1,28,28 Prev. Yr : Rs. 97,67)	7,53,86	11,40,93
Stock-in-Process	1,81,92	1,64,83
	<u>9,35,78</u>	<u>13,05,76</u>
Deduct : CLOSING STOCK		
Finished Goods (including semi-finished goods Rs. 1,34,41 Prev. Yr. Rs. 1,28,28)	11,54,70	7,53,86
Stock-in-Process	2,86,05	1,81,92
	<u>14,40,75</u>	<u>9,35,78</u>
	(5,04,97)	3,69,98
Less : Increase/(Decrease) in cess on stocks	3,22	(4,54)
	<u>(5,01,75)</u>	<u>3,65,44</u>

Schedules to the Profit & Loss Account

(Rs. in '000)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE 'K'		
RAW MATERIALS CONSUMED		
Opening Stock	50,33,39	22,74,05
Add : Purchases	1,53,49,54	1,29,13,80
	<u>2,03,82,93</u>	<u>1,51,87,85</u>
Less : Closing Stock	19,83,42	50,33,39
	<u>1,83,99,51</u>	<u>1,01,54,46</u>
SCHEDULE 'L'		
MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Consumption of Stores & Spares (Including packing material)	14,03,81	10,26,71
Power & Fuel	12,85,21	9,61,21
Manufacturing & Processing Expenses	4,48,13	3,54,73
Repairs & Maintenance :		
Plant & Machinery	1,85,35	86,02
Buildings	1,50,80	1,18,44
Others	1,05,99	82,51
Salaries, Wages & Bonus	43,18,33	33,11,71
Contribution to P.F. & Other Funds	5,74,45	4,17,94
Gratuity	4,10,02	2,42,18
Staff & Workers Welfare Expenses	63,67	73,52
Commission & Brokerage on sales	99,15	49,73
Freight, Transport & Selling Expenses	15,46,15	9,09,97
Insurance	92,31	36,92
Rent	35,90	38,54
Rates & Taxes	6,61	6,83
Travelling Expenses (Including Directors' Travelling Rs. 54 Pr. Yr. - Rs. 18,45)	13,83	34,51
Legal & Professional Expenses	34,35	30,75
Provision for diminution in value of investments	1	9
Miscellaneous Expenses	2,61,98	2,05,85
Directors' Fee	1,88	1,92
Directors' Commission	86,62	—
Auditors' Remuneration :		
Statutory Auditors :		
Audit Fee	3,31	2,76
Fees for certification	1,38	1,10
Cost Auditors :		
Audit Fees	25	25
	<u>1,11,29,49</u>	<u>79,94,19</u>
SCHEDULE 'M'		
INTEREST		
To Banks & Others	2,46,70	3,40,91
	<u>2,46,70</u>	<u>3,40,91</u>

Schedules to the Accounts

SCHEDULE 'N'

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Fixed Assets & Capital work in Progress

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

Capital Work-in-Progress is stated at cost.

3. Intangible Assets

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

4. Depreciation and Amortisation

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

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

c) All the assets costing Rs. 5000 or less are fully depreciated in the year of acquisition.

5. Impairment

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

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

6. Investments

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

7. Inventories

Basis of Valuation :

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

Schedules to the Accounts

SCHEDULE 'N' (Contd.)

8. Foreign Currency Transactions

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

9. Recognition of Income and Expenditure

Items of Income and Expenditure are recognised on accrual basis.

10. Sales

Sales are inclusive of transport & delivery charges realised less excise duty, cess, rebates & claims, sales returns and discounts etc, if any.

11. Borrowing Cost

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

12. Employee benefits

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

13. Taxes on Income

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

14. Government Grants

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

Schedules to the Accounts

SCHEDULE 'N' (Contd.)

- b) Export benefit entitlements to the company under the EXIM / Foreign Trade policy is recognised in the year of exports on accrual basis and are shown under the head Sales as Sales related income.

15. Provisions, Contingent Liabilities and Contingent Assets

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

(Rs. in '000)

	As at 31st March, 2011	As at 31st March, 2010
B. NOTES ON ACCOUNTS		
1. Contingent Liabilities not provided for in respect of :		
a) Bills Discounted with Banks	17,10,78	5,62,36
b) Other Disputed Claims (ESI) (Adv. paid Rs. 18,73 Previous year - Rs. 18,93)	56,91	56,91
c) Excise Duty Demand disputed		
(i) Excise Authority raised the demand on transit loss of Jute Batching Oil from 1964 to 1969. Writ Petition pending before High Court at Kolkata.	43	43
(ii) Excise Authority raised the demand on Jute Webbing as differential duty between specific rate as per classification list and advalorm rate. Matter is pending before Appellate Authority for the year 1986-87 to 1991-92 . (Advance paid Rs. 3,00 Previous year - Rs. 3,00)	17,80	17,80
d) (i) Disputed demand against Sales Tax for the year 1999-00, 2000-01 and 2004-05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv. paid Rs. 11,20 Previous year Rs. 12,70)	55,96	77,25
(ii) Disputed demand against Sales Tax for the year 2005-06 & 2007-08, for which Appeal is pending before D.C.C.T. (CD).	1,71,03	1,45,08
e) Land Revenue (Rent) raised by the office of the B.L. & L.R. Officer Uluberia - II, Howrah due to retrospective changes in W.B. Land Reform Act. Matter is pending before W.B. Land Reform Tribunal since 2002-03.	82,74	71,20
2. a) Outstanding Bank Guarantees	2,25,02	2,98,61
b) Outstanding Letter of Credit	3,99,52	4,23,57
3. Estimated amount of contracts remaining to be executed on Capital Account not provided for (Advance given Rs. 21,80 Previous Year - Rs. 52,34)	3,57,67	2,10,68

Schedules to the Accounts

SCHEDULE 'N' (Contd.)

(Rs. in '000)

4. Disclosure as per Accounting Standard - 29 i.e. Provisions, Contingent Liabilities and Contingent Assets.

Particulars	Opening Balance	Addition	Deduction	Closing Balance
Disputed Statutory Matter	3,08	1,90	—	4,98

Represents the provision for disputed Statutory liabilities in respect of E.S.I. and Land Revenue Tax on account of cases pending with courts/or concerned authorities based on estimate made by the Company considering the facts & circumstances.

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

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

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
i) Employees Provident Fund	10,81	6,57
ii) Employees Pension Scheme	2,76,36	2,01,14

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

- i) Benefits are of the following types :

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

- ii) The amounts recognized in the Balance Sheet as at 31st March, 2011 are as follows :

	Gratuity	
	(2010-11)	(2009-10)
Present Value of funded obligations	17,23,77	14,13,23
Fair value of Plan Assets	6,00,00	—
Liabilities in respect of funded obligations	11,23,77	14,13,23

The amounts recognized in the Profit and Loss account for the year ended 31st March, 2011 are as follows :

	(2010-11)	(2009-10)
Current service cost	1,66,94	1,30,19
Interest cost on obligation	1,17,64	99,35
Expected Return on plan assets	—	—
Expected Return on any reimbursement right Recognized as an asset	—	—
Net actuarial losses/(gains) recognized during the year	1,22,50	12,64
Past service cost	—	—
Losses/(gains) on curtailments and settlements	—	—
Total included in 'Payments to and Provisions for employees'	4,07,08	2,42,18

Schedules to the Accounts

SCHEDULE 'N' (Contd.)

(Rs. in Lakhs)

- iii) Changes in the present value of the defined benefit obligation representing Reconciliation of opening and closing balances thereof are as follows :
- | | <u>2010-11</u> | <u>2009-10</u> |
|--|----------------|----------------|
| Present value of defined benefit obligation at the beginning of the year | 1413.23 | 1235.97 |
| Employer Service Cost (+) | 166.94 | 130.19 |
| Interest Cost (+) | 117.64 | 99.35 |
| Curtailment Cost (+) | 0.00 | 0.00 |
| Settlement Cost (+) | 0.00 | 0.00 |
| Plan Amendments | 0.00 | 0.00 |
| Acquisitions | 0.00 | 0.00 |
| Actuarial Gains (-)/Loss (+) | (+ 122.50) | (+ 12.64) |
| Benefit Paid/ Liabilities Created (-) | 696.54 | 64.92 |
| Present value of Defined Benefit obligations at the end of the year | <u>1123.77</u> | <u>1413.23</u> |
- iv) Changes in the fair value of plan assets representing Reconciliation of opening and closing balances thereof are as follows :
- | | <u>2010-11</u> | <u>2009-10</u> |
|---|----------------|----------------|
| Change in Assets | | |
| Fair value Plan Assets at the beginning of the year | 0.00 | 0.00 |
| Acquisition adjustments | 0.00 | 0.00 |
| Actual return on Plan Assets (+) | 0.00 | 0.00 |
| Actual Company Contribution (+) | 696.54 | 64.92 |
| Benefit Payments (-) | 96.54 | 64.92 |
| Appreciation / Depreciation of Plan Assets | 0.00 | 0.00 |
| Fair Value of Plan Assets at the end of the period | <u>600.00</u> | <u>0.00</u> |
- v) The major categories of plan assets as a percentage of total plan assets are as follows :
- | | <u>2010-11</u> | <u>2009-10</u> |
|-----------------------------|----------------|----------------|
| Qualifying insurance policy | 100% | N.A. |
- vi) Principal actuarial assumptions at the balance sheet date are as follows :
- 1 Mortality : LIC (1994-96), ultimate table
 - 2 Morbidity : No Explicit Allowance
 - 3 Withdrawal : 2% to 1%, depending on the age and length of service
 - 4 Discount Rate : 7.5% p.a. being consistent with the yield on Long Term Govt. Bond
 - 5 Salary Increase : 5% p.a.
 - 6 Normal Age of Retirement : 58 years
- vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.
- viii) In respect of provident funds in the nature of defined benefits plan, pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs.74.50 (previous year Rs.59.68) during the year is recognized as expense and included in 'Payments to and Provision for Employees'. Shortfall of Rs. 95.63 in the contribution to the provident funds in the nature of defined benefit plans has been provided to the extent of the information available with the company.

Schedules to the Accounts

SCHEDULE 'N' (Contd.)

(Rs. in '000)

6. Sales include Rs. 15,95,67 on account of goods sent on consignment (Previous year Rs. 25,20,04) which has been considered on the basis of proforma invoice/actual realisation. However, the Management does not anticipate any loss on this account.
7. Raw materials, Stores & Spares Parts consumed include profit and/or loss on sale and excess/short found on physical verification.
8. The amount of borrowing cost capitalized during the year is Rs. Nil (Previous year Nil).
9. a) Outstanding forward exchange contracts booked for the purpose of hedging receivables are Nil (Previous year US\$ 280).
b) Unhedged foreign currency payables are US\$ 40 (Previous year US\$ 20).
c) The marked to market loss amounting to Rs. 3,61 on Forward Exchange Contracts for firm commitments and highly probable forecast transaction has been accounted for. (Previous year 66,24 marked to market gain for the same purpose had not been accounted for).
10. Break up of major component of Deferred Tax at the year end is as follows :

Liability	As at 31st March, 2011	As at 31st March, 2010
Timing difference in depreciable Assets	4,30,44	3,91,95
Total : A	4,30,44	3,91,95
Assets		
Provision for Leave, Doubtful Debts & Gratuity	4,08,78	5,13,46
Other timing difference	2,92	2,53
Total : B	4,11,70	5,15,99
Deferred Tax (Assets)/Liability [Net (A - B)]	18,74	(1,24,04)

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

	2010-11	2009-10
Within India	1,78,95,11	1,41,74,71
Outside India	1,33,25,36	51,48,61
Total	3,12,20,47	1,93,23,32

14. Consumption of Raw Materials, Spares and Components :

	Raw Materials				Spares & Components			
	For the year ended 31st March, 2011		For the year ended 31st March, 2010		For the year ended 31st March, 2011		For the year ended 31st March, 2010	
	Total	%	Total	%	Total	%	Total	%
Imported	49,36,98	26.83	18,40,96	18.00	12,66	2.01	8,01	1.67
Indigenous	1,34,62,53	73.17	83,13,50	82.00	6,18,61	97.99	4,72,03	98.33
	1,83,99,51	100.00	1,01,54,46	100.00	6,31,27	100.00	4,80,04	100.00

Schedules to the Accounts

SCHEDULE 'N' (Contd.)

(Rs. in '000)

	<u>For the year ended 31st March, 2011</u>	<u>For the year ended 31st March, 2010</u>
15. Expenditure in Foreign Currencies (paid/provided) :		
Travelling	2,15	11,02
Commission	47,39	16,83
Spares/Machinery purchased	18,10	1,72,94
16. C.I.F. Value of Imports :		
Raw Materials	40,16,18	32,07,45
17. Earnings in Foreign Currency :		
F.O.B. Value of Exports	1,26,23,24	49,79,52
18. Raw Materials consumed		

	<u>For the year ended 31st March, 2011</u>		<u>For the year ended 31st March, 2010</u>	
	<u>Qty. M.T.</u>	<u>Value</u>	<u>Qty. M.T.</u>	<u>Value</u>
Raw Jute	5,68,06	1,83,52,66	44,410	1,01,31,32
Cotton, Yarn, Viscose & PP. Tape	—	46,85	—	23,14
		<u>1,83,99,51</u>		<u>1,01,54,46</u>
19. Installed Capacity (*)				
Particulars	<u>2010 - 2011</u>		<u>2009 - 2010</u>	
	<u>M.T.</u>		<u>M.T.</u>	
Installed capacity	67,500		67,500	

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

20. Production, Sales and Stocks

	<u>For the year ended 31st March, 2011</u>		<u>For the year ended 31st March, 2010</u>	
	<u>Qty. M.T.</u>	<u>Value (Rs.)</u>	<u>Qty. M.T.</u>	<u>Value (Rs.)</u>
Production : Jute Goods	51,910	—	41,447	—
Sales : Jute Goods	51,597	3,12,20,47	42,638	1,93,23,32
Damaged / Destroyed	226	1,16,70	—	—
	<u>Opening Stock 2009-2010</u>	<u>Closing Stock 2009-2010 Opening Stock 2010-2011</u>	<u>Closing Stock 2010-2011</u>	
	<u>Qty. M.T.</u>	<u>Amount (Rs.)</u>	<u>Qty. M.T.</u>	<u>Amount (Rs.)</u>
Jute Goods	2,661	11,40,93	1,470	7,53,86
			1,557	11,54,70

(Amount includes value of semi-finished goods)

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

Schedules to the Accounts

SCHEDULE 'N' (Contd.)

(Rs. in '000)

21. Related Party Disclosures

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

A. Relationships

1) Subsidiaries

a) Ludlow Exports Ltd.

2) Key Managerial Personnel

a) Sri S. S. Kanoria (Executive Chairman)

b) Sri D. K. Bubna (Executive Director cum Company Secretary)

c) Sri B. M. Thakkar (Resident Director)

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

	2010-11		2009-10	
	A (1)	A (2)	A (1)	A (2)
a) Sales of goods	—	—	—	—
b) Guarantees given	—	—	—	—
c) Advance Repaid	—	—	35	—
d) Investment	25,00	—	25,00	—
e) Remuneration, Perquisites & Others	—	1,02,44	—	82,24
f) Director's Commission *	—	86,62	—	—
g) Balance outstanding at the year end				
Advance given	—	—	—	—
Creditors	21,97	—	21,97	—

22. Managerial Remuneration

A. Remuneration to Executive Chairman & Executive Director cum Company Secretary for the year is debited to respective heads of account.

	2010-11	2009-10
- Salary	53,46	44,16
- Commission – Executive Chairman	64,96	—
- Commission – Executive Director	21,66	—
- Contribution to Provident Fund	5,34	4,42
- Perquisites	19,90	13,80
	1,65,32	62,38
B. Director's Fees	1,88	1,92
Total Managerial Remuneration	1,67,20	64,30

(The above does not include Provision for Gratuity & Leave Encashment)

C. Computation of Total Income for the purpose of Director's Commission as under :

Computation of Net Profit u/s 198/349 of the Companies Act, 1956

Net Profit before Tax as per Profit & Loss A/c.	21,74,65
Add : Managerial Remuneration	1,67,20
Provision for Diminution in Value of Investment	—
	23,41,85
Less : Capital Profit on Sale of Fixed Assets	9,22
Net Profit u/s 198/349 of the Companies Act, 1956	23,32,63
Ceiling on remuneration to all Whole time Director's restricted to 10%	2,33,26
Ceiling on remuneration to individual Whole time Director's restricted to 5%	1,16,63

Schedules to the Accounts

SCHEDULE 'N' (Contd.)

(Rs. in '000)

23. Earnings per Share :

	<u>For the year ended 31st March, 2011</u>	<u>For the year ended 31st March, 2010</u>
Earnings per share has been computed as under :		
a) Profit/(Loss) after Taxation as per Profit & Loss Account	14,53,44	3,33,94
b) Weighted average number of Equity Shares	1,07,73,120	1,07,73,120
c) Basic and diluted earnings per share (Rs.) (Face value of per share Rs.10/-)	13.49	3.10

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

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

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
M. L. SHUKLA
Partner
Membership No. 051505
1-B, Old Post Office Street
Kolkata, the 30th day of May, 2011

Signatures to Schedules 'A' to 'N'

For and on behalf of the Board

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

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

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

I. REGISTRATION DETAILS

Registration No.	L65993WB1979PLC032394
State Code	21
Balance Sheet Date	31st March, 2011

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. in thousands)

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

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. thousands)

Total Liabilities	978262
Total Assets	978262

SOURCES OF FUNDS

Paid-up Capital	107977
Reserves & Surplus	258219
Secured Loans	105697
Unsecured Loans	Nil
Deferred Tax	1874

APPLICATION OF FUNDS

Net Fixed Assets	358610
Investments	25639
Current Assets (Net)	89518
Misc. Expenditure	Nil
Accumulated Losses	Nil
Deferred Tax	Nil

IV. PERFORMANCE OF THE COMPANY

(Amount in Rs. thousands)

Turnover(Gross Revenue)	3171821
Total Expenditure	2954356
Profit/(Loss) before Tax	217465
Profit/(Loss) after Tax	145344
Earnings per Share (in Rs.)	13.49
Dividend Rate (%)	25% (Proposed)

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

(As per monetary terms)

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

For and on behalf of the Board

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

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

Kolkata, the 30th day of May, 2011

**STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO
SECTION 212 OF THE COMPANIES ACT, 1956.**

Section 212 (1) (e)

<u>Name of Subsidiary Companies</u>	<u>Financial Year ended</u>	<u>Holding Company's Interest</u>
Ludlow Exports Limited	31.03.2011	100.00%
	<u>For the Financial Year ended 31.03.2011</u>	<u>For the Previous Financial Year 31.03.2010</u>
	(in Rs.)	(in Rs.)

Section 212 (3) (b)

i) Net aggregate amount of Subsidiary's Profit(+)/Loss (-) which concerns the Members of the Holding Company and not Dealt with, in the Company's Accounts :

Ludlow Exports Limited	21,667	(3,593)
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ii) Net aggregate amount of Subsidiary's profit dealt with in the Company's Accounts.

Nil	Nil
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SECTION 212 (5)

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

For and on behalf of the Board

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

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

Kolkata, the 30th day of May, 2011

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

1. We have examined the attached consolidated Balance Sheet of **LUDLOW JUTE & SPECIALITIES LIMITED** (formerly Aekta Limited) and its subsidiary as at 31st March, 2011, the consolidated Profit & Loss Account and also the consolidated Cash Flow Statement of the said Company for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary, whose financial statement reflect total assets of Rs.25.29 Lacs as at 31st March, 2011, total revenues of Rs. 0.43 lacs and total cash flows of Rs. 0.25 lacs for the year then ended. These financial statements have been audited by other auditor whose reports has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of such subsidiary, is based solely on the report of the other auditor.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of Accounting Standard (AS) 21 "Consolidated Financial Statements" on the basis of the separate audited financial statements of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiary included in the Consolidated Financial Statements.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on audited financial statements of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its aforesaid subsidiary and read with the accounting policies and notes on accounts in schedule "M" give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view :-
 - i) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiary as at 31st March, 2011.
 - ii) In the case of the consolidated Profit & Loss Account, of the consolidated results of operations of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiary for the year ended on that date; and
 - iii) In the case of the consolidated Cash Flow Statement, of the consolidated Cash Flows of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiary for the year ended on that date.

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

1 B, Old Post Office Street
Kolkata - 700 001
Dated : 30th day of May, 2011

Ludlow Jute & Specialities Limited

Consolidated Balance Sheet of Ludlow Jute & Specialities Ltd. and its Subsidiary as at 31st March, 2011

(Rs. in '000)

	Schedule	As at 31st March, 2011	As at 31st March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	'A'	10,79,77	10,79,77
Reserves & Surplus	'B'	25,82,34	15,23,88
Loan Funds			
Secured Loans	'C'	10,56,97	27,02,27
Deferred Tax Liability (Net)		18,74	—
Total Funds Employed		<u>47,37,82</u>	<u>53,05,92</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	'D'	88,00,10	84,13,74
Less : Depreciation		<u>53,07,65</u>	<u>50,65,41</u>
Net Block		34,92,45	33,48,33
Capital Work-in-Progress		93,65	1,80,01
		<u>35,86,10</u>	<u>35,28,34</u>
Investments		2,31,39	2,30,18
Deferred Tax Assets (Net)		—	1,24,04
Current Assets, Loans & Advances			
Inventories	'E'	36,48,21	62,15,29
Sundry Debtors		10,28,99	7,37,18
Cash & Bank Balances		2,53,40	3,13,84
Loans, Advances & Deposits		<u>10,12,80</u>	<u>5,07,98</u>
		<u>59,43,40</u>	<u>77,74,29</u>
Less : Current Liabilities & Provisions			
Current Liabilities	'F'	34,75,35	46,49,67
Provisions		<u>15,47,72</u>	<u>17,01,26</u>
		<u>50,23,07</u>	<u>63,50,93</u>
Net Current Assets		<u>9,20,33</u>	<u>14,23,36</u>
Total Assets		<u>47,37,82</u>	<u>53,05,92</u>
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS			
	'M'		

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

As per our Report of even date annexed.

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
M. L. SHUKLA
Partner
Membership No. 051505
1-B, Old Post Office Street
Kolkata, the 30th day of May, 2011

For and on behalf of the Board

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

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

**Consolidated Profit & Loss Account of Ludlow Jute & Specialities Ltd. and its Subsidiary
for the year ended 31st March, 2011**

(Rs. in '000)

	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
INCOME			
Sales	'G'	3,13,87,15	1,93,18,02
Other Income	'H'	3,31,49	3,48,55
		<u>3,17,18,64</u>	<u>1,96,66,57</u>
EXPENDITURE			
(Increase)/Decrease in Finished Goods and Process Stocks	'I'	(5,01,75)	3,65,44
Raw Materials Consumed	'J'	1,83,99,51	1,01,54,46
Manufacturing, Administrative, Selling, and Other Expenses	'K'	1,11,29,65	79,97,07
Interest	'L'	2,46,70	3,40,91
		<u>2,92,74,11</u>	<u>1,88,57,88</u>
Profit/(Loss) Before Depreciation & Tax		24,44,53	8,08,69
Less : Depreciation		3,51,79	3,37,69
Less : Transferred from Revaluation Reserve		82,18	82,18
		<u>2,69,61</u>	<u>2,55,51</u>
Profit/(Loss) Before Tax		21,74,92	5,53,18
Less : Provision for Income Tax		5,74,00	2,20,00
Deferred Tax		1,42,78	(8,17)
		<u>14,58,14</u>	<u>3,41,35</u>
Add : Excess FBT Provision written Back		—	2,52
Less : Income Tax Relating to Earlier Year		4,49	9,97
Profit After Tax		14,53,65	3,33,90
Balance brought forward from last A/c		5,12,24	3,81,12
Add : Loss of Subsidiary no longer exist		—	2,35
Balance available for appropriation		19,65,89	7,17,37
Transferred to General Reserve		1,45,34	16,70
Proposed Dividend		2,69,33	1,61,60
Corporate Dividend Tax		43,69	26,84
Balance carried to Balance Sheet		<u>15,07,53</u>	<u>5,12,23</u>
Basic & diluted Earnings Per Share of Rs. 10 each (in Rs.)		13.49	3.10

**SIGNIFICANT ACCOUNTING POLICIES
& NOTES ON ACCOUNTS**

'M'

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

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
M. L. SHUKLA
Partner
Membership No. 051505
1-B, Old Post Office Street
Kolkata, the 30th day of May, 2011

For and on behalf of the Board

D. K. BUBNA
Executive Director cum
Company Secretary

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Rs. in '000)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT/(LOSS) BEFORE TAX & EXTRAORDINARY ITEMS	21,74.86	5,53.18
Adjustments for :		
Depreciation	2,69.60	2,55.51
Depreciation on earlier year w/back	(22.68)	—
Income from Interest	(4.93)	(23.18)
Income from Dividend	(24.09)	(16.45)
Foreign Currency Fluctuation	26	—
Interest Expenses	2,46.71	3,40.91
(Profit)/Loss from sale of Fixed Assets	(18.50)	(32.61)
Provision For Gratuity	3,10.54	1,77.27
Provision For Leave	9.44	16.96
Provision For Land Revenue Tax	1.90	—
Liabilities written back	—	(4.98)
Sundry Balances W/off	14.92	—
Provision for diminution in the value of investment	—	9
	<u>29,58.03</u>	<u>12,66.70</u>
Adjustment for changes in Working Capital		
Trade & other receivables	(8,34.93)	21.10
Inventories	25,67.08	(24,50.61)
Trade Payables and Liabilities	(17,67.72)	7,03.64
CASH GENERATED FROM OPERATIONS	<u>29,22.46</u>	<u>(4,59.17)</u>
Income tax paid (including FBT)	6,03.41	3,14.60
	<u>23,19.05</u>	<u>(7,73.77)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,64.89)	(9,22.72)
Sale/Adjustment of Fixed Assets	24.90	32.61
Sale/(Purchase) of Investment - (Net)	(1,21)	(10)
Capital Subsidy Received	2,06.85	—
Interest Received	4.93	23.18
Dividend Received	24.09	16.45
	<u>(3,05.33)</u>	<u>(8,50.58)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Payments) from Borrowings	(16,45.29)	21,55.12
Dividend Paid	(1,55.32)	(1,03.51)
Dividend Tax Paid	(26.84)	(18.31)
Interest Paid	(2,46.71)	(2,73.93)
	<u>(20,74.16)</u>	<u>17,59.37</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	<u>(60.44)</u>	<u>1,35.02</u>
OPENING CASH & CASH EQUIVALENTS	<u>3,13.84</u>	<u>1,78.82</u>
CLOSING CASH & CASH EQUIVALENTS	<u>2,53.40</u>	<u>3,13.84</u>
CASH & CASH EQUIVALENTS COMPRISES		
Cash and Bank Balances	2,53.40	3,13.84

Notes :

1. Above statement has been prepared in indirect method.
2. Cash and Cash Equivalents represent "Cash Balance in hand and Balances with Scheduled Banks". Cash & Cash equivalents includes Rs. 15,13 (Previous Year Rs. 8,85) in Unpaid Dividend Account and Rs. 7,69 (Previous Year Rs. 78,91) in Margin Money A/c. kept with Scheduled Banks.
3. Figures have been regrouped wherever considered necessary.

As per our Report of even date annexed.
For SINGHI & CO.

Chartered Accountants
Firm Registration No. 302049E
M. L. SHUKLA
Partner

Membership No. 051505
1-B, Old Post Office Street
Kolkata, the 30th day of May, 2011

For and on behalf of the Board

D. K. BUBNA
Executive Director cum
Company Secretary

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

Schedules to the Consolidated Balance Sheet

(Rs. in '000)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
1,49,90,000 Equity Shares of Rs.10/- each	14,99,00	14,99,00
1,000 Redeemable Preference Shares of Rs.100/- each	1,00	1,00
	<u>15,00,00</u>	<u>15,00,00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,07,73,120 Equity Shares of Rs.10/- each fully paid up (Out of above 6,00,000 Equity Shares issued for consideration other than cash in pursuance of Scheme of arrangement sanctioned by High Court).	10,77,31	10,77,31
Add : Forfeited Shares	2,46	2,46
	<u>10,79,77</u>	<u>10,79,77</u>

SCHEDULE 'B'**RESERVES & SURPLUS**

Capital Reserve (As per Last account)	10,54	10,54
Revaluation Reserve (As per Last account)	3,98,46	4,80,64
Less : Transferred to Profit & Loss Account	<u>82,18</u>	<u>82,18</u>
Share Premium (As per Last Account)	5,85,95	5,85,95
General Reserve (As per Last Account)	16,70	—
Add : Transferred from Profit & Loss Account	<u>1,45,34</u>	<u>16,70</u>
Profit/(Loss) as per Account Annexed	15,07,53	5,12,23
	<u>25,82,34</u>	<u>15,23,88</u>

SCHEDULE 'C'**SECURED LOANS****Working Capital Borrowings**

From Banks	10,56,97	27,02,27
	<u>10,56,97</u>	<u>27,02,27</u>

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

Schedules to the Consolidated Balance Sheet (Contd.)

SCHEDULE 'D'

FIXED ASSETS

(Rs. in '000)

PARTICULARS	GROSS BLOCK		DEPRECIATION			NET BLOCK				
	Value as at 31.03.2010	Additions during the year	Deductions/ Adjustments during the year	Value as at 31.3.2011	Upto 31.03.2010	Provided during the year	Deductions/ Adjustments during the year	Upto 31.3.2011	As at 31.3.2010	As at 31.3.2011
Goodwill	(1)	—	—	(1)	—	—	—	—	(1)	(1)
Freehold Land	1,39,09	—	—	1,39,09	—	—	—	—	1,39,09	1,39,09
Buildings	15,02,79	32,21	—	15,35,00	10,55,27	8,85	—	47,66	4,23,22	4,47,52
Plant & Machinery	58,32,95	6,33,79	2,89,89	61,76,85	35,61,29	2,05,89	1,05,18	28,71	24,86,14	22,71,66
Workshop Machinery & Installations	21,96	—	—	21,96	21,95	—	—	—	1	1
Electrical Machinery & Installation	1,35,42	—	—	1,35,42	83,41	6,78	—	1,10	44,13	52,01
Water Supply Installation	1,35,30	—	—	1,35,30	64,28	2,89	—	2,80	65,33	71,02
Roads, Drainage & Fencing	55,46	—	—	55,46	19,94	51	—	23	34,78	35,52
Motor Vehicles & Fork Lifts	4,45,28	6,98	10,17	4,42,09	1,66,24	33,24	4,34	1,68	2,45,27	2,79,04
Furniture & Fixtures, Office Equipments, Air-Conditioners, Telephone Installations & Laboratory Equipments	1,45,49	13,51	7	1,58,93	93,03	11,44	2	—	54,48	52,46
Total	84,13,74	6,86,49	3,00,13	88,00,10	50,65,41	2,69,60	1,09,54	82,18	34,92,45	33,48,33
Previous Year	75,29,08	8,85,40	74	84,13,74	47,28,42	2,55,51	70	82,18	50,65,41	33,48,33

NOTE : Fixed Assets of the Company excluding minor items, were revalued by an external Independent Valuer on 31st March, 1992 which resulted in increase of Fixed Assets Value by **Rs.3004.76** lacs on Net Current Replacement Basis. This increase had been transferred to Revaluation Reserve Account. After adjustment in respect of Fixed Assets sold/discarded and Depreciation provided, the Revaluation Reserve now stands at **Rs. 316.28** lacs as on 31.03.2011.

Schedules to the Consolidated Balance Sheet (Contd.)

(Rs. in '000)

	As at 31st March, 2011	As at 31st March, 2010
SCHEDULE 'E'		
CURRENT ASSETS, LOANS, ADVANCES & DEPOSITS		
(A) CURRENT ASSETS		
✓ Inventories (as taken, valued and certified by the Management)		
Stores, Spare Parts & Packing Materials (at cost)	2,24,04	2,46,12
✓ <u>Stock-in-Trade</u>		
✓ Raw Jute (at lower of cost or net realisable value)	19,83,42	50,33,39
✓ Finished Goods (at lower of cost or net realisable value)	11,54,70	7,53,86
• Stock-in-Process (at lower of cost or net realisable value)	2,86,05	1,81,92
	<u>36,48,21</u>	<u>62,15,29</u>
SUNDRY DEBTORS		
Debts exceeding six months		
Unsecured Considered good	77,51	89,96
Less : Provision for Doubtful Debts	89	89
Other Debts	76,62	89,07
Unsecured Considered good	9,52,37	6,48,11
	<u>10,28,99</u>	<u>7,37,18</u>
CASH AND BANK BALANCES		
✓ Cash in hand (including Stamps) (As certified by the management)	14,93	10,82
Balances with Scheduled Banks		
in Current Accounts	2,12,30	2,11,87
in Margin Money Account	7,69	78,91
in EEFC Account	3,35	3,39
in Unpaid Dividend A/c.	15,13	8,85
	<u>2,53,40</u>	<u>3,13,84</u>

Schedules to the Consolidated Balance Sheet (Contd.)

(Rs. in '000)

	As at 31st March, 2011	As at 31st March, 2010
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SCHEDULE 'E' (Contd.)

(B) LOANS, ADVANCES & DEPOSITS

Advances (recoverable in cash or in kind or for value to
✓ be received and/or pending adjustment)
(Unsecured, considered good/unless otherwise stated)

For purchase of goods	63,82	66,41
Advance Tax net of provisions	1,02,73	1,40,99
Income Tax Refund Receivable	68,22	—
Prepaid expenses	71,22	34,50
To Others	9,77	11,60
To Workmen Advance	37,82	82,44
To Staff	6,36	3,82
Balance with Government Authorities	43,30	42,44
Claims receivable etc.	2,86,63	3,77
DEPB Licence Receivable	3,10,52	1,06,80
Duty Draw Back Receivable	9,70	10,42
✓ Deposits (Unsecured, considered good unless otherwise stated)	2,71	4,79
	<u>10,12,80</u>	<u>5,07,98</u>

SCHEDULE 'F'

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

For Goods	17,94,25	31,13,22
For Expenses	14,86,94	13,27,22

(Includes Rs. Nil for Micro, Small and
Medium Enterprises, Previous year Rs. Nil)

✓ Security & Trade Deposits	12,83	12,80
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(Investors Education and Protection fund shall be
credited by the following amount namely #)

Unpaid Dividend	15,13	8,85
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(# - No amount was due for deposit as on 31st March, 2011)

Other Liabilities	1,66,20	1,20,60
Interest Accrued but not due	—	66,98

34,75,35 46,49,67

PROVISIONS

For Disputed Statutory Dues

i) Employee State Insurance	2,59	2,59
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ii) Land Revenue Tax	2,39	49
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For Gratuity	11,23,77	14,13,23
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For Leave Pay	1,05,95	96,51
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For Proposed Dividend	2,69,33	1,61,60
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For Proposed Dividend Tax	43,69	26,84
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15,47,72 17,01,26

Schedules to the Consolidated Profit & Loss Account

(Rs. in '000)

For the year ended 31st March, 2011	For the year ended 31st March, 2010
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SCHEDULE 'G'
SALES

Finished Products (Including Export Sales Rs. 1,33,25,36 Previous year Rs. 51,48,61	3,12,20,47	1,93,23,32
Less : Jute Manufacturing Cess Refer note B(6) in Schedule "M"	3,10,10	1,90,07
	3,09,10,37	1,91,33,25
ADD : SALES RELATED INCOME		
Export Benefits	4,76,78	1,84,77
	3,13,87,15	1,93,18,02

SCHEDULE 'H'
OTHER INCOME

Depreciation for earlier year w/back	22,68	—
Rent	19,32	12,83
Exchange Fluctuation Gain	5,25	2,19,96
Miscellaneous Income	49,08	38,55
Insurance & Other Claims	1,76,98	5
Excess Liabilities & Credit balance written back (Net)	—	1,00
Sundry Balance Written Back	—	4
Adjustments Relating to Previous year	3,23	3,90
Dividend received including Rs. 15,00 (Pr. Yr. Rs. 15,07) for Long-term Investments	24,09	16,45
Interest Received	4,93	23,17
Profit on Sale of Fixed Assets	18,51	32,60
Discount Received	7,42	—
	3,31,49	3,48,55

SCHEDULE 'I'
(INCREASE)/DECREASE IN STOCK
OPENING STOCK

Finished Goods (including Semi-finished goods Rs. 1,28,28 Previous year Rs. 97,67)	7,53,86	11,40,93
Stock-in-Process	1,81,92	1,64,83
	9,35,78	13,05,76

Deduct : CLOSING STOCK

Finished Goods (including semi-finished goods Rs. 1,34,41 Previous year Rs. 1,28,28)	11,54,70	7,53,86
Stock-in-Process	2,86,05	1,81,92
	14,40,75	9,35,78

Less : Increase/(Decrease) in ccess on stock

	(5,04,97)	3,69,98
	3,22	(4,54)
	(5,01,75)	3,65,44

Schedules to the Consolidated Profit & Loss Account (Contd.)

(Rs. in '000)

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
SCHEDULE 'J'		
RAW MATERIALS CONSUMED		
Opening Stock	50,33,39	22,74,05
Add : Purchases	1,53,49,54	1,29,13,80
	<u>2,03,82,93</u>	<u>1,51,87,85</u>
Less : Closing Stock	19,83,42	50,33,39
	<u>1,83,99,51</u>	<u>1,01,54,46</u>
SCHEDULE 'K'		
MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
* Consumption of Stores & Spares (including packing materials)	14,03,81	10,26,71
Power & Fuel	12,85,21	9,61,21
Manufacturing & Processing Expenses	4,48,13	3,54,73
Repairs & Maintenance :		
Plant & Machinery	1,85,35	86,02
Buildings	1,50,80	1,18,44
Others	1,05,99	82,51
Salaries, Wages & Bonus	43,18,33	33,11,71
Contribution to P.F. & Other Funds	5,74,45	4,17,94
Gratuity	4,10,02	2,42,18
Staff & Workers Welfare Expenses	63,67	73,52
Commission & Brokerage on sales	99,15	49,73
Freight, Transport & Selling Expenses	15,46,15	9,09,97
Insurance	92,31	36,92
Rent	35,90	38,54
Rates & Taxes	6,65	6,87
Travelling Expenses (including Directors Travelling Rs. 54 Pr.Yr. Rs. 18,45)	13,83	34,51
Legal & Professional Expenses	34,35	30,82
Provision for Diminution in value of Investments	1	9
Miscellaneous Expenses	2,62,04	2,08,56
Directors' Fee	1,88	1,92
Directors' Commission	86,62	—
Auditors' Remuneration :		
Statutory Auditors :		
Audit Fee	3,37	2,82
Fees for certification	1,38	1,10
Cost Auditors :		
Audit Fees	25	25
	<u>1,11,29,65</u>	<u>79,97,07</u>
SCHEDULE 'L'		
INTEREST		
To Banks & Others	2,46,70	3,40,91
	<u>2,46,70</u>	<u>3,40,91</u>

Schedules to the Accounts

SCHEDULE 'M'

(Rs. in '000)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

PRINCIPLES OF CONSOLIDATION

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

The subsidiary company considered in the consolidated financial statements is :

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

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

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

2. Fixed Assets & Capital Work-in-Progress

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

Capital Work-in-Progress is stated at cost.

3. Intangible Assets

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

4. Depreciation and Amortisation

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

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

c) All the assets costing Rs. 5000 or less are fully depreciated in the year of acquisition.

5. Impairment

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

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

Schedules to the Accounts

SCHEDULE 'M' (Contd.)

6. Investments

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

7. Inventories

Basis of Valuation :

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

8. Foreign Currency Transactions

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

9. Recognition of Income and Expenditure

Items of Income and Expenditure are recognised on accrual basis.

10. Sales

Sales are inclusive of transport & delivery charges realised less excise duty, cess, rebates & claims, sales returns & discounts etc, if any.

11. Borrowing Cost

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

12. Employee Benefits

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

Schedules to the Accounts

SCHEDULE 'M' (Contd.)

(Rs. in '000)

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

13. Taxes on Income

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

14. Government Grants

- a) Grants from Government are recognised on compliance of conditions and on reasonable assurance of the same being received. Grants received from Government Agencies against specific fixed assets are adjusted to the cost of the assets and Capital Grants for Project Capital Subsidy are credited to Capital Reserve. Revenue grants are recognized as other income or reduced from respective expenses.
- b) Export benefit entitlements to the Company under the Exim/Foreign Trade Policy is recognised in the year of export on accrual basis and are shown under the head sales as sales related income.

15. Provisions, Contingent Liabilities and Contingent Assets

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

B. NOTES ON ACCOUNTS :

	As at 31st March, 2011	As at 31st March, 2010
1. Contingent Liabilities not provided for in respect of :		
a) Bills Discounted with Banks	17,10,78	5,62,36
b) Other Disputed Claims (ESI) (Advance paid Rs. 18,73, Previous year Rs. 18,73)	56,91	56,91
c) Excise Duty Demand disputed		
(i) Excise Authority raised the demand on transit loss of Jute Batching Oil from 1964 to 1969. Writ Petition pending before High Court at Kolkata.	43	43
(ii) Excise Authority raised the demand on Jute Webbing as differential duty between specific rate as per classification list and advalorem rate. Matter is pending before Appellate Authority for the year 1986-87 to 1991-92. (Advance paid Rs. 3,00 Previous year Rs. 3,00)	17,80	17,80

Schedules to the Accounts

SCHEDULE 'M' (Contd.)

(Rs. in '000)

	As at 31st March, 2011	As at 31st March, 2010
d) (i) Disputed demand against Sales Tax for the year 1999-00, 2000-01 and 2004-05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv. paid Rs. 11,20 Pr. Yr. Rs. 12,70)	55,96	77,25
(ii) Disputed demand against Sales Tax for the year 2005-06 and 2007-08 for which Appeal is pending before D.C.C.T.(CD).	1,71,03	1,45,08
e) Land Revenue (Rent) raised by the office of the B.L & L.R. Officer Uluberia - II, Howrah due to retrospective changes in W.B. Land Reform Act. Matter is pending before W.B. Land Reform Tribunal since 2002-03.	82,74	71,20
2. a) Outstanding Bank Guarantees	2,25,02	2,98,61
b) Outstanding Letter of Credit	3,99,52	4,23,57
3. Estimated amount of contracts remaining to be executed on Capital Account not provided for (Advance given Rs. 21,80, Previous year Rs. 52,34)	3,57,67	2,10,68
4. Disclosure as per Accounting Standard - 29 i.e. Provisions, Contingent Liabilities and Contingent Assets.		

Particulars	Opening Balance	Addition	Deduction	Closing Balance
Disputed Statutory Matter	3,08	1,90	—	4,98

Represents the provision for disputed Statutory liabilities in respect of E.S.I. and Land Revenue Tax on account of cases pending with courts /or concerned authorities based on estimate made by the company considering the facts & circumstances.

5. In accordance with the revised Accounting Standard – 15 i.e. Employee Benefits, the requisite disclosure are as follows :
- a) The amount recognised as an expense for the Defined Contribution Plans are as under :-
- | | For the year ended
31st March, 2011 | For the year ended
31st March, 2010 |
|------------------------------|--|--|
| i) Employees Provident Fund | 10,81 | 6,57 |
| ii) Employees Pension Scheme | 2,76,36 | 2,01,14 |
- b) In respect of Defined Benefits Plans, necessary disclosures are as under :-
- i) Benefits are of the following types :
- Every employee who has completed continuous five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.
 - Provident Fund (other than government administered) as per the provisions of Employees Provident Funds and Miscellaneous Provisions Act,1952.

Schedules to the Accounts

SCHEDULE "M" (Contd.)

(Rs. in '000)

ii) The amounts recognised in the Balance Sheet as at 31st March 2011 are as follows :

	<u>Gratuity</u> (2010-2011)	<u>Gratuity</u> (2009-2010)
Present Value of funded obligations	17,23,77	14,13,23
Fair value of Plan Assets	6,00,00	—
Liabilities in respect of funded obligations Based on actuarial basis	<u>11,23,77</u>	<u>14,13,23</u>

The amounts recognized in the Profit and Loss account for the year ended 31st March, 2011 are as follows :

	(2010-11)	(2009-10)
Current service cost	1,66,94	1,30,19
Interest cost on obligation	1,17,64	99,35
Expected Return on plan assets	—	—
Expected Return on any reimbursement right recognized as an asset	—	—
Net actuarial losses/(gains) recognized during the year	1,22,50	12,64
Past service cost	—	—
Losses/(gains) on curtailments and settlements	—	—
Total included in 'Payments to and Provisions for employees'	<u>4,07,08</u>	<u>2,42,18</u>

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

	<u>2010-11</u>	<u>2009-10</u>
Present value of defined benefit obligation at the beginning of the year	1413.23	1235.97
Employer Service Cost (+)	166.94	130.19
Interest Cost (+)	117.64	99.35
Curtailment Cost (+)	—	—
Settlement Cost (+)	—	—
Plan Amendments	—	—
Acquisitions	—	—
Actuarial Gains (-)/Loss (+)	(+ 122.50)	(+ 12.64)
Benefit Paid/Liabilities Created (-)	696.54	64.92
Present value of Defined Benefit obligations at the end of the year	<u>1123.77</u>	<u>1413.23</u>

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

	2010-11	2009-10
Change in Assets		
Fair value Plan Assets at the beginning of the year	0.00	0.00
Acquisition adjustments	0.00	0.00
Actual return on Plan Assets (+)	0.00	0.00
Actual Company Contribution (+)	696.54	64.92
Benefit Payments (-)	96.54	64.92
Appreciation / Depreciation of Plan Assets	0.00	0.00
Fair Value of Plan Assets at the end of the period	<u>600.00</u>	<u>0.00</u>

Schedules to the Accounts

SCHEDULE "M" (Contd.)

(Rs. in '000)

- v) The major categories of plan assets as a percentage of total plan assets are as follows :
- | | 2010-11 | 2009-10 |
|-----------------------------|---------|---------|
| Qualifying insurance policy | 100% | N.A. |
- vi) Principal actuarial assumptions at the balance sheet date are as follows :
- 1 Mortality : LIC (1994-96), ultimate table
 - 2 Morbidity : No Explicit Allowance
 - 3 Withdrawal : 2% to 1%, depending on the age and length of service
 - 4 Discount Rate : 7.5% p.a. being consistent with the yield on Long Term Govt. Bond
 - 5 Salary Increase : 5% p.a.
 - 6 Normal Age of Retirement : 58 years
- vii) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.
- viii) In respect of provident funds in the nature of defined benefits plan, pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs. 74,50, (Previous year Rs. 59,68) during the year is recognized as expense and included in 'Payments to and Provision for Employees'. Shortfall of Rs. 95,63 in the contribution to the Provident Funds in the nature of defined benefit plans has been provided to the extent of the information available with the company.
6. Sales include Rs. 15,95,67 on account of goods sent on consignment (Previous year Rs.25,20,04) which has been considered on the basis of proforma invoice/actual realisation. However, the Management does not anticipate any loss on this account.
7. Raw materials, Stores & Spares Parts consumed include profit and/or loss on sale and excess/short found on physical verification.
8. The amount of borrowing cost capitalized during the year is Rs. Nil (Previous year Nil).
9. a) Outstanding forward exchange contracts booked for the purpose of hedging receivables are Nil (Previous Year US\$ 280).
 b) Unhedged foreign currency payables are US\$ 40 (Previous Year US\$ 20).
 c) The marked to market loss amounting to Rs. 3,61 on Forward Exchange contracts for firm commitments and highly probable forecast transaction has been accounted for. (Previous year Rs. 66,24 marked to market gain for the same purpose had not been accounted for).

Schedules to the Accounts

SCHEDULE "M" (Contd.)

(Rs. in '000)

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

Liabilities	As at 31st March, 2011	As at 31st March, 2010
Timing difference on depreciable Assets	4,30,44	3,91,95
Total : A	4,30,44	3,91,95
Assets		
Provision for Leave, Doubtful Debts & Gratuity	4,08,78	5,13,46
Other timing difference	2,92	2,53
Total : B	4,11,70	5,15,99
Deferred Tax (Assets)/Liability [Net (A - B)]	18,74	(1,24,04)

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

	2010-11 Rs.	2009-10 Rs.
Within India	1,78,95,11	1,41,74,71
Outside India	1,33,25,36	51,48,61
Total	3,12,20,47	1,93,23,32

14. Related Party Disclosures

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

A. Relationships

1) Subsidiary

- a) Ludlow Exports Ltd.

2) Key Managerial Personnel

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

Schedules to the Accounts

SCHEDULE "M" (Contd.)

(Rs. in '000)

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

	<u>2010-11</u>		<u>2009-10</u>	
	<u>A (1)</u>	<u>A (2)</u>	<u>A (1)</u>	<u>A (2)</u>
a) Sales of goods	—	—	—	—
b) Guarantees given	—	—	—	—
c) Advance Repaid	—	—	35	—
d) Investment	25,00	—	25,00	—
e) Remuneration, Perquisites & Others	—	1,02,44	—	82,24
f) Director's Commission *	—	86,62	—	—
g) Balance outstanding at the year end				
Advance given	—	—	—	—
Creditors	21,97	—	21,97	—

15. Managerial Remuneration

A. Remuneration to Executive Chairman & Executive Director cum Company Secretary for the year is debited to respective heads of account.

	<u>2010-11</u>	<u>2009-10</u>
- Salary	53,46	44,16
- Commission – Executive Chairman	64,96	—
- Commission – Executive Director	21,66	—
- Contribution to Provident Fund	5,34	4,42
- Perquisites	19,90	13,80
	<u>1,65,32</u>	<u>62,38</u>
B. Director's Fees	1,88	1,92
Total Managerial Remuneration	<u>1,67,20</u>	<u>64,30</u>

(The above does not include Provision for Gratuity & Leave Encashment)

C. *Computation of Total Income for the purpose of Director's Commission as under :

Computation of Net Profit u/s 198/349 of the Companies Act, 1956

Net Profit before Tax as per Profit & Loss A/c.	21,74,65
Add : Managerial Remuneration	1,67,20
Provision for Diminution in Value of Investment	—
	<u>23,41,85</u>
Less : Capital Profit on Sale of Fixed Assets	9,22
Net Profit u/s 198/349 of the Companies Act, 1956	23,32,63
Ceiling on remuneration to all Whole time Director's restricted to 10%	2,33,26
Ceiling on remuneration to individual Whole time Director's restricted to 5%	1,16,63

Schedules to the Accounts

SCHEDULE "M" (Contd.)

(Rs. in '000)

16. Earnings per Share :

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
--	--	--

Earnings per share has been computed as under :

a) Profit/(Loss) after Taxation as per Profit & Loss Account	14,53,65	3,33,94
b) Weighted average number of Equity Shares	1,07,73,120	1,07,73,120
c) Basic and diluted earnings per share (Rs.) (Face value per share Rs.10/-)	13.49	3.10

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

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

For SINGHI & CO.
Chartered Accountants
Firm Registration No. 302049E
M. L. SHUKLA
Partner
Membership No. 051505
1-B, Old Post Office Street
Kolkata, the 30th day of May, 2011

Signatures to Schedules 'A' to 'M'

For and on behalf of the Board

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

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

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

I. REGISTRATION DETAILS

Registration No.	L65993WB1979PLC032394
State Code	21
Balance Sheet Date	31st March, 2011

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. thousands)

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

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. thousands)

Total Liabilities	976089
Total Assets	976089

SOURCES OF FUNDS

Paid-up Capital	107977
Reserves & Surplus	258234
Secured Loans	105697
Unsecured Loans	Nil
Deferred Tax	1874

APPLICATION OF FUNDS

Net Fixed Assets	358610
Investments	23139
Current Assets (Net)	92033
Misc. Expenditure	Nil
Accumulated Losses	Nil
Deferred Tax	Nil

IV. PERFORMANCE OF THE COMPANY

(Amount in Rs. thousands)

Turnover (Gross Revenue)	3171864
Total Expenditure	2954372
Profit/(Loss) before Tax	217492
Profit/(Loss) after Tax	145814
Earnings per Share (in Rs.)	13.49
Dividend Rate (%)	25% (Proposed)

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

(As per monetary terms)

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

For and on behalf of the Board

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

A. C. MUKHERJI
Director

S. S. KANORIA
Executive Chairman

Kolkata, the 30th day of May, 2011

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 17th Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

	2010-2011 (Rs.)	2009-2010 (Rs.)
FINANCIAL RESULTS		
Profit/(Loss) for the year	26,667	(3,593)
Less : Provision for Taxation	5,000	—
Profit/(Loss) after Tax	21,667	(3,593)
Add : Balance brought forward from last year	(5,812)	(2,219)
Balance carried forward	15,855	(5,812)

In view of very minimal profits, the directors regret that they are unable to recommend dividend for the year under review.

OPERATIONS

The net profit of the Company during the year was Rs. 21,667.00 against a net loss of Rs. 3,593.00 in the previous year.

DIRECTORS

Shri S. S. Kanoria, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

COMPLIANCE CERTIFICATE

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS

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

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

Earnings : FOB value of Exports - Rs. NIL

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2011, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis;

STATUTORY AUDITORS

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

Registered Office :
6, Little Russell Street
Kolkata - 700 071.
Dated : 30th day of May, 2011

For and on behalf of the Board

D. K. BUBNA
(Director)

S. S. KANORIA
(Director)

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

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

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

I have examined the registers, records, books and papers of **Ludlow Exports Limited**, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011 (financial year). In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, West Bengal within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times respectively on 20.05.2010, 30.09.2010, 31.12.2010 and 31.03.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2010 was held on 28th June, 2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any Contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under Section 301 of the Act so far as requirement of Section 297 is concerned.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. i) There was no allotment / transfer / transmission of securities during the financial year.
ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no new appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year as the company has not issued any preference share or debenture till date.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2011.
25. The Company has not made any loan to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company was not required to constitute Provident Fund for its employees and therefore provisions of Section 418 of the Act are not applicable.

Place : Kolkata
Dated : 30th May, 2011

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

ANNEXURE - "A"
Registers as maintained by the Company

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

ANNEXURE - "B"
Forms and returns as filed by the Company with Registrar of Companies, Regional Directors, Central Government or other authorities during the financial year ending 31st March, 2011

Sl. No.	Form No./Return	Filed under Section	For	Date of filing	Whether filed within prescribed time yes/no
1	Form No.23AC & 23 ACA- Balance Sheet & Profit & Loss Account	220	31.03.2010	27.07.2010	YES SRN P49015423
2	Form No.20B-Annual Return	159	28.06.2010	10.08.2010	YES SRN P49311376
3	Form No.66-Compliance Certificate	383A	31.03.2010	27.07.2010	YES SRN P49014293

AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of LUDLOW EXPORTS LIMITED, as at 31st March, 2011 and also the annexed Profit & Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books of account of the Company;
- (iii) the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account of the Company;
- (iv) in our opinion the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) based on the written representations made by the Directors of the Company and taken on record by the Board of Directors and the information and explanations given to us, we report that none of the directors is, as at 31st March, 2011, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - (b) in the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date.

407, Bentinck Chambers
37A, Bentinck Street
Kolkata - 700 069
Dated the 30th day of May, 2011

For K. G. GARG & CO.
Chartered Accountants
Firm's Registration No. 322555E

K. G. AGARWAL
Proprietor
Membership No. 011436

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

1. The Company has no fixed assets and as such the question of maintaining fixed assets register and physical verification and revaluation thereof does not arise.
2. During the year under audit, the Company did not have any stock in trade, hence the question of physical verification and maintenance of record of stock does not arise.
3. The company has not granted any loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions during the financial year that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. The provisions relating to internal audit are not applicable to the Company.
8. The Company is not required to maintain cost records u/s 209 (1) (d) of the Companies Act, 1956.
9. As informed to us the Provident Fund and Employees State Insurance Act are not presently applicable to the Company. According to the records of the Company the Company is generally regular in depositing undisputed statutory dues including Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth-Tax, Service Tax, Sales Tax, Custom Duty and Excise Duty and Cess were outstanding, at the year end for a period of more than six months from the date they become payable.
10. In our opinion and according to the information and explanations given to us there are no disputed liabilities outstanding including Income-Tax, Sales-Tax, Wealth-Tax, Excise Duty, Service Tax, Custom Duty and Cess.
11. The Company has no accumulated losses at the end of the financial year nor it has incurred cash losses in the current financial year.
12. The Company has not taken any loan from any financial institution, bank or debenture holders.
13. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/society.
15. The Company does not deal or trade in shares, securities, debentures and other investments.
16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
17. The Company did not have any term loan during the year.
18. The Company did not have any outstanding borrowings during the year.
19. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not issued any debentures during the year.
21. The Company has not raised any money by public issue during the year.
22. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

407, Bentinck Chambers
 37A, Bentinck Street
 Kolkata - 700 069
 Dated the 30th day of May, 2011

For K. G. GARG & CO.
 Chartered Accountants
 Firm's Registration No.322555E

K. G. AGARWAL
 Proprietor
 Membership No. 011436

BALANCE SHEET

AS AT 31ST MARCH, 2011

	Schedule	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	'A'	25,00,000	25,00,000
Reserves & surplus		15,855	—
		<u>25,15,855</u>	<u>25,00,000</u>
APPLICATION OF FUNDS			
Current Assets, Loans & Advances			
Cash & Bank Balances	'B'	3,24,955	3,00,039
Loans & Advances		22,03,915	21,99,664
		<u>25,28,870</u>	<u>24,99,703</u>
Less : Current Liabilities and Provisions			
Current Liabilities	'C'	8,015	5,515
Provisions		5,000	—
		<u>13,015</u>	<u>5,515</u>
Net Current Assets		<u>25,15,855</u>	<u>24,94,188</u>
Miscellaneous Expenditure to the extent not written off			
Balance Loss as per Profit & Loss Account annexed		—	5,812
		<u>25,15,855</u>	<u>25,00,000</u>

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
INCOME			
Sales & other Income	'D'	42,510	2,83,946
		<u>42,510</u>	<u>2,83,946</u>
EXPENDITURE			
Purchases & Other Losses	'E'	—	2,70,317
Selling, Administrative & other expenses	'F'	15,843	17,222
		<u>15,843</u>	<u>2,87,539</u>
Profit/(Loss) before interest & tax		26,667	(3,593)
Less : Provision of Income Tax		5,000	—
Profit/(Loss) after Tax		<u>21,667</u>	<u>(3,593)</u>
Add : Balance brought forward from last Account		(5,812)	(2,219)
Balance Profit/(Loss) carried over to Balance Sheet		<u>15,855</u>	<u>(5,812)</u>
Significant Accounting Policies & Notes on Accounts 'G'			

Significant Accounting Policies & Notes on Accounts 'G'

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

Schedules 'D' to 'G' form an integral part of the Profit & Loss Account

As per our separate report attached.

As per our separate report attached.

For K. G. GARG & CO.
Chartered Accountants
Firm's Registration No. 322555E For and on behalf of the Board
K. G. AGARWAL
Membership No. 011436 D. K. BUBNA S. S. KANORIA
Proprietor Director Director
407, Bentinck Chambers
37A, Bentinck Street
Kolkata - 700 069
Dated : 30th May, 2011

For K. G. GARG & CO.
Chartered Accountants
Firm's Registration No. 322555E For and on behalf of the Board
K. G. AGARWAL
Membership No. 011436 D. K. BUBNA S. S. KANORIA
Proprietor Director Director
407, Bentinck Chambers
37A, Bentinck Street
Kolkata - 700 069
Dated : 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	2010-2011 (Rs.)	2009-2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT/(LOSS) BEFORE TAX & EXTRAORDINARY ITEMS	21,667	(3,593)
Adjustments for change in Working Capital		
Trade & other receivables (increase)	(4,251)	2,50,000
Trade Payables and Liabilities	7,500	-
CASH GENERATION FROM OPERATIONS	<u>24,916</u>	<u>2,46,407</u>
Income tax Net of paid/ provisions (including FBT)	-	-
NET CASH FROM OPERATING ACTIVITIES	<u>24,916</u>	<u>2,46,407</u>
B. CASH FLOW FROM INVESTING ACTIVITIES	-	-
NET CASH FROM INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
CASH FLOW USED IN FINANCING ACTIVITIES	-	-
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	24,916	2,46,407
OPENING CASH & CASH EQUIVALENTS	300,039	53,632
CLOSING CASH & CASH EQUIVALENTS	<u>3,24,955</u>	<u>3,00,039</u>
CASH & CASH EQUIVALENTS COMPRISES		
Cash and Bank Balances	3,24,955	3,00,039

Notes :

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

As per our Report of even date annexed

For K. G. GARG & CO.
Chartered Accountants
Firm's Registration No. 322555E
K. G. AGARWAL
Membership No. 011436
Proprietor
407, Bentinck Chambers
37A, Bentinck Street
Kolkata - 700 069
Dated : 30th May, 2011

For and on behalf of the Board
D. K. BUBNA S. S. KANORIA
Director Director

SCHEDULES TO THE BALANCE SHEET as at 31st March, 2011

	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
SCHEDULE 'A'		
SHARE CAPITAL		
AUTHORISED		
2,50,000 Equity Shares of Rs.10/- each	<u>25,00,000</u>	<u>25,00,000</u>
	<u>25,00,000</u>	<u>25,00,000</u>
ISSUED		
2,50,000 Equity Shares of Rs.10/- each	<u>25,00,000</u>	<u>25,00,000</u>
SUBSCRIBED & PAID UP		
2,50,000 Equity Shares of Rs. 10/- each fully paid up in Cash (The entire 2,50,000 Equity Shares are held by holding Company)	<u>25,00,000</u>	<u>25,00,000</u>
	<u>25,00,000</u>	<u>25,00,000</u>
SCHEDULE 'B'		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
CASH & BANK BALANCES		
Balance With Scheduled Bank : In Current Account	<u>3,24,955</u>	<u>3,00,039</u>
	<u>3,24,955</u>	<u>3,00,039</u>
B. LOANS & ADVANCES		
(Unsecured considered good)		
Advance to Ludlow Jute & Specialities Ltd. (Holding Company)	21,96,584	21,96,584
TDS	4,251	—
E.I.A. Deposit	2,580	2,580
Security Deposit	500	500
	<u>22,03,915</u>	<u>21,99,664</u>
A + B	<u>25,28,870</u>	<u>24,99,703</u>
SCHEDULE 'C'		
CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors	5,515	5,515
Provision for Expenses	2,500	—
	<u>8,015</u>	<u>5,515</u>
B. PROVISIONS		
Provision for Taxes	5,000	—
	<u>5,000</u>	<u>—</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

	Year ended 31st March, 2011 (Rs.)	Year ended 31st March, 2010 (Rs.)
SCHEDULE 'D'		
SALES & OTHER INCOME		
Profit in Future Trading of Commodities		
Copper	—	52,888
Crude Oil	—	23,988
Nickel	—	73,491
Ref. Soy Oil	—	22,765
Zinc	—	48,225
Jute	—	62,589
Commission Received	42,510	—
	<u>42,510</u>	<u>2,83,946</u>

SCHEDULE 'E'		
PURCHASES & OTHER LOSSES		
Loss in Future Trading of Commodities		
Jute	—	2,70,317
	<u>—</u>	<u>2,70,317</u>

SCHEDULE 'F'		
SELLING, ADMINISTRATIVE & OTHER EXPENSES		
Bank Charges	220	496
Rates & Taxes	4,350	4,350
Filing Fees	1,500	1,500
Auditors Remuneration	5,515	5,515
Professional charges	4,258	5,361
	<u>15,843</u>	<u>17,222</u>

SCHEDULE 'G'
Significant Accounting Policies and Notes on Accounts
A. SIGNIFICANT ACCOUNTING POLICIES
1. Revenue Recognition

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

2. Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax liabilities and assets are recognised at subsequently enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in the period and are capable of reversal in one or more subsequent periods.

SCHEDULES TO THE PROFIT & LOSS ACCOUNT for the year ended 31st March, 2011

3. Related Party Transaction :

a. **Directors :**

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

b. **Holding Company :**

Ludlow Jute & Specialities Limited

Advances

Balance recoverable as on 31.03.11	Rs. 2196584
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Signature to Schedule 'A' to 'G'

For K. G. GARG & CO.
Chartered Accountants
Firm's Registration No. 322555E
K. G. AGARWAL
Membership No. 011436
Proprietor
407, Bentinck Chambers
37A, Bentinck Street
Kolkata - 700 069
Dated : 30th May, 2011

For and on behalf of the Board

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

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

I. REGISTRATION DETAILS		
CIN		U65191WB1994PLC065400
State Code		21
Balance Sheet Date		31st March, 2011
II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. thousands)		
Public Issue		Nil
Right Issue		Nil
Private Placement		Nil
Bonus Issue		Nil
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. thousands)		
Total Liabilities		2,529
Total Assets		2,529
SOURCES OF FUNDS		
Paid-up Capital		2,500
Reserves & Surplus		16
Secured Loans		Nil
Unsecured Loans		Nil
APPLICATION OF FUNDS		
Net Fixed Assets		Nil
Investments		Nil
Net Current Assets		2,516
Miscellaneous Expenditure		Nil
Accumulated Losses		Nil
IV. PERFORMANCE OF THE COMPANY (Amount in Rs. thousands)		
Turnover (Gross Revenue)		43
Total Expenditure		16
Profit/(Loss) before tax		27
Profit/(Loss) after tax		22
Earnings per Share (in Rs.)		0.09
Dividend Rate (%)		Nil
V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY		
(As the monetary terms)		
Item Code No. (I.T.C. Code)	N.A.	
Product Description	N.A.	

For and on behalf of the Board

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

Dated : 30th May, 2011



Ludlow Jute & Specialities Limited

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

MCS LIMITED

NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORMAT

Unit : Ludlow Jute & Specialities Limited

77/2A, Hazra Road

Kolkata - 700 029

Re : Payment of Dividend Through NECS

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

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

1. Name of the Shareholder(s) : _____
2. Regd. Folio No. : _____
3. Particulars of Bank Account
 - a. Name of the Bank : _____
 - b. Name of the branch : _____
 - Address : _____
 - Telephone No. : _____
 - * c. 9 digit Code Number of the Bank and Branch as appearing on the MICR Cheque issued by the bank :

--	--	--	--	--	--	--	--	--
 - d. Type of the account (Please tick) : Savings Current Cash Credit
 - e. Ledger and Ledger folio number (if any) of your bank account : _____
 - f. Account number (as appearing on the cheque book) : _____

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

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

Date : _____

Signature of the first holder

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

Bank's Stamp

Date :

Signature of the authorised official of the Bank

Delete whichever is not applicable.

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



Ludlow Jute & Specialities Limited

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

ATTENDANCE SLIP

32ND ANNUAL GENERAL MEETING - THURSDAY, 11TH AUGUST, 2011 - 3.00 P.M.

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

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

I/We hereby record my/our presence at the **32ND ANNUAL GENERAL MEETING** of the Company to be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on **Thursday, 11th August, 2011**.

Member/s/Proxy Signature

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

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



Ludlow Jute & Specialities Limited

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

FORM OF PROXY

I/We of being a Member/Members of LUDLOW

JUTE & SPECIALITIES LIMITED, hereby appoint.....

of or failing him of

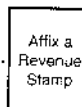
as my/our proxy to attend and vote for me/us on my/our behalf at the **32ND ANNUAL GENERAL MEETING** of the Company to be held at Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on **Thursday, 11th August, 2011** at 3.00 P.M. and/or at any adjournment thereof.

Signed this.....day of.....2011.

Folio No./DP ID & Client ID No.

No. of Shares

Signature



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