



LUDLOW JUTE & SPECIALITIES LIMITED

Registered Office:

KCI Plaza, 4th Floor, 23C, Ashutosh Chowdhury Avenue
Kolkata-700 019, India.

CIN: L65993WB1979PLC032394

Phone : 91-33-4050-6300/6330/31/32 Fax No: 91-33-4050-6333/6334

E-Mail : info@ludlowjute.com

Website: www.ludlowjute.com

Dated: 04.09.2017

The Secretary (Scrip Code No. 526179)
Bombay Stock Exchange,
25th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400 001

Sub: Submission of soft copy of Annual Report

Dear Sir,

Pursuant to the Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, enclosed please find herewith the Annual Report of the Company for the financial year 2016-17.

For Ludlow Jute & Specialities Limited

(Madhuri Pandey)
Company Secretary & Compliance Officer







FORWARD LOOKING STATEMENT

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

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



This Annual Report is available online at www.ludlowjute.com

Between the Covers

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CONSOLIDATED

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CORPORATE INFORMATION

Thirty Eighth Annual Report 2016-2017

BOARD OF DIRECTORS

Mr. R. V. Kanoria

Non-Executive Chairman

Mr. A. C. Mukherji

Independent Director

Mr. J. K. Bhagat

Independent Director

Mr. I. P. Poddar

Independent Director

Mr. B. Choudhuri

Independent Director

Mr. L. G. Toolsidass

Independent Director

Mr. S. Kapur

Independent Director

Ms. Nayantara Palchoudhuri

Independent Director

Mr. Ajay Todi

Managing Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Madhuri Pandey

CHIEF FINANCIAL OFFICER

Mr. R. K. Gupta

AUDITORS

Singhi & Co.

Chartered Accountants

BANKERS

Central Bank of India

Allahabad Bank

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited

12/1/5, Manoharpukur Road

Ground Floor, Kolkata - 700 026

Phone : +91 33 4072 4051 / 52 / 53

Fax : +91 33 4072 4050

Email : mcssta@rediffmail.com

REGISTERED OFFICE

KCI Plaza, 4th Floor

23C, Ashutosh Chowdhury Avenue

Kolkata - 700 019, West Bengal, India

Phone : +91 33 4050 6300 / 6330

Fax : +91 33 4050 6333 / 6334

E-mail : info@ludlowjute.com

CIN : L65993WB1979PLC032394

WORKS

P. O. Chengail, Howrah - 711 308

West Bengal, India

Phone : +91 33 2642 8366

Fax : +91 33 2642 8367

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the members of **LUDLOW JUTE & SPECIALITIES LIMITED** will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020 on Monday, 4th September, 2017 at 11.00 a.m. to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mr. R.V. Kanoria, (holding DIN 00003792), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company for a period of 5 years and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposals of Audit Committee of the Board and upon recommendation of the Board, M/s. J. K. Agarwal & Associates, Chartered Accountants (Firm Registration No. 318086E) be and is hereby appointed as Statutory Auditors of the Company, to hold the office for a period of 5 consecutive years from the conclusion of 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company, on a remuneration to be agreed upon by the Board of Directors.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :
“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 25,000 (Rupees Twenty Five Thousand only), plus travelling and other incidental expenses payable to M/s. Prasad & Company, Cost Accountants (Registration No. 4014), who have been appointed by the Board of Directors of the Company as Cost Auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2018 be and is hereby ratified.”

By Order of the Board
Ludlow Jute & Specialities Limited

Place : Kolkata
Date : 28th April, 2017

M. Pandey
Company Secretary & Compliance Officer

NOTES :

1. The Register of Members and Share Transfer Register of the Company shall remain closed from 22nd August, 2017 to 4th September, 2017 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy in order to be effective, must be duly completed, signed, stamped and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
3. Corporate members are requested to send to the Company, a duly certified copy of the Board Resolution/Power of Attorney, authorizing their representatives to attend and vote at the Annual General Meeting.



4. Dividend, if approved by the shareholders at the AGM, will be paid within 30 days from the date of AGM, to those members,
 - a) Whose names appear as Beneficial Owners as at the end of business hours on 21st August, 2017 in the list furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before the end of business hours on 21st August, 2017.
5. Dividend which remains unpaid/ unclaimed over a period of seven years will have to be transferred by the Company to "Investor Education and Protection Fund" of the Central Government under Section 124 & 125 of the Companies Act, 2013. Shareholders are advised to encash the unpaid dividend warrants before transfer to the above referred Fund.
6. Members are requested to notify immediately any change of address and also particulars of their Bank Accounts viz., Name of the bank, branch, complete address of the bank and bank account number for printing the same on the Dividend Warrants to avoid fraudulent encashment:
 - to their Depository Participants (DP) in respect of their Demat Account(s); and
 - to the Company at its registered office or to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease of portfolio management. Members can contact the Company or MCS Share Transfer Agent Limited for this purpose.
8. Members/ Proxies are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company, for admission to the meeting hall.
9. Members, who hold shares in dematerialized form, are requested to furnish their Client ID and DP ID numbers to facilitate identification of membership at the Meeting.
10. In all correspondence(s) with the Company/ Registrar & Share Transfer Agents, members are requested to quote their folio number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID number.
11. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Registrar and Share Transfer Agents for consolidation into a single folio.
12. In case of joint holders attending the meeting, the Member(s) whose name appears as the first holder(s) in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Members are requested to notify immediately any change of address to the Depository Participants in respect of electronic share accounts and to the Registrars and Transfer Agents, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026 in respect of physical share accounts.
14. In case the mailing address mentioned on the label used for mailing the Annual Report is without the Pin Code, members are requested to inform their Pin Code immediately.
15. Members are requested to bring their copy of the Annual Report to the meeting.
16. The share certificates with previous name of the Company viz. 'Aekta Limited' are acceptable for transfer/demat etc. The stickers bearing the change of name of the Company to 'Ludlow Jute & Specialities Limited' had been dispatched to the shareholders holding shares in physical mode. If any shareholder still wants the stickers with the Company's new name, they may write to the Company or to the Registrars for the required number of stickers.
17. Pursuant to Section 101 and 136 of the Companies Act, 2013, read with the relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not yet registered their e-mail address with the Company or their Depository are requested to do so.

18. To support the 'Green Initiative', the members who have not registered their e-mail addresses are requested to register the same with MCS Share Transfer Agent Limited/Depositories.
19. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed herewith.
20. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is providing the facility to members to exercise their right to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. **The e-voting rights of the members/beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 28th August, 2017 (Cut-off date fixed for this purpose). The e-voting period will commence at 09.00 a.m. on 1st September, 2017 and will end at 05.00 p.m. on 3rd September, 2017.** The Company has appointed CS Arun Kumar Khandelia, Partner M/s. K. Arun & Co., Practicing Company Secretaries, to act as Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this Notice.
21. Re-appointment of Directors:

The information and/or details pertaining to the appointment of the retiring Director, being eligible for re-appointment, to be provided in terms of Regulation 36(3) the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchange, is provided hereunder:

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

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

By Order of the Board
Ludlow Jute & Specialities Limited

Place : Kolkata
Date : 28th April, 2017

M. Pandey
Company Secretary & Compliance Officer



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

For Item no. 5

As recommended by the Audit Committee, Board of Directors had appointed M/s. Prasad & Company, Cost Accountants (Registration No. 4014), being eligible and having sought re-appointment, as cost auditor of the Company, for a remuneration of ₹ 25,000 (Rupees Twenty Five Thousand only), plus travelling and other incidental expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2017 and ending on 31st March, 2018 as required in terms of the directive issued by Cost Audit Branch, Ministry of Corporate Affairs, Government of India.

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

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

By Order of the Board
Ludlow Jute & Specialities Limited

Place : Kolkata
Date : 28th April, 2017

M. Pandey
Company Secretary & Compliance Officer

SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins **at 09.00 a.m. on 1st September, 2017, and will end at 5.00 p.m. on 3rd September, 2017.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **28th August, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Example: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



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- (xii) Click on the EVSN for the relevant **Ludlow Jute & Specialities Ltd** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Directors' Report

Dear Members,

Your Board takes pleasure in presenting its Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2017.

1. FINANCIAL SUMMARY

(₹ In Crores)

Particulars	2016-2017	2015-16
Sales excluding excise duty	350.83	351.58
Profit before Finance Costs and Depreciation	18.90	17.64
Less : Finance Costs	2.83	3.14
Gross Profit	16.07	14.50
Less: Depreciation and amortisation	5.02	5.86
Profit before Exceptional Items and Tax	11.05	8.64
Less/ (Add): Exceptional items	-	-
Profit before tax	11.05	8.64
Less: Tax expenses	3.67	3.00
Profit for the Year	7.37	5.64
Add: Balance as per last Financial Statements	19.66	16.25
Profit available for appropriations	27.03	21.89
Appropriations:		
General Reserve	-	0.28
Proposed Dividend on Equity Shares	-	1.62
Corporate Dividend Tax	-	0.33
Total	-	2.23
Balance carried forward to Balance Sheet	27.03	19.66

2. DIVIDEND

The Board of Directors recommends, for consideration of shareholders at the Annual General Meeting, a Dividend @ 25% (₹ 2.50 per share) on Equity Shares of ₹ 10/- each for the year ended 31st March, 2017.

3. TRANSFER TO RESERVES

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

4. OPERATIONS

During the year under review, the Company's sale was ₹ 354.28 crores (including exports of ₹ 52.75 crores) against sales of ₹ 355.07 crores (including exports of ₹ 45.93 crores) during the previous year. The production was 40544 M.T. against 45372 M.T. during the previous year. This was primarily due to higher production of lighter 580 grams' Bags for Govt. supplies in FY17; and the significant impact of labour availability following demonetisation in November 2016.

Raw Jute has seen major volatility in the year gone by. In the period Jan-July 2016, jute availability was low as a fallout of lower raw jute production in the previous year (harvested in July/August 2015). This led to record high prices of jute in Q1/Q2 FY17. Favourable weather in the sowing season in March-April 2016 and satisfactory monsoons stimulated high jute production following which jute prices dropped sharply around September 2016. We are happy to report that the Company withstood this volatility effectively in FY17.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

i) Industry Structure And Developments

Through concerted efforts, the Jute industry continued to highlight the eco-friendly nature of Jute to all stakeholders; encouragement of eco-friendly jute packaging via JPM (Jute Packaging Materials) Act, 1987 was continued in the year gone by.



Directors' Report

Faced with rigors of poor jute quality, disruption in labour supply following demonetisation in November 2016 and delayed Government orders in the Rabi Season, the industry suffered lower production and higher labour costs. It is apt to mention that the GoI's demonetisation announcement enabled us to avoid the risks and difficulties associated with cash payments to workers and we extended all help to our workers for enabling direct wage payments in workers' bank accounts.

In FY17, we saw good foodgrain production whereby the jute bags offtake forecast remained healthy. Hence, the year gone by witnessed sustained demand for jute sacking.

Continuous increase in wage costs coupled with labour productivity issues remain the single biggest worry for the industry burdened with competition from Bangladeshi jute products produced with cheap de-unionised labour.

ii) Opportunities

GoI's sustained effort for ensuring quality supplies by all Mills has given due credence to Ludlow's age-old unstinted focus on quality and ethical operations.

Global awareness and focus on climate change is increasing day by day with natural fibres finding favour with consumers all over the world. Jute's status as the most sustainable, renewable, biodegradable and eco-friendly natural fibre has been reinforced as the world grapples with pollution control problems wrought by synthetics and the rising awareness about the associated disposal issues leading to high total cost of using synthetics.

The Jute industry is still suffering from the import issues despite the imposition of Anti dumping duty on jute imports from Bangladesh with free flow of sacking material still continuing at the time of writing.

Use of Jute geotextiles for road applications received a major boost during the year. We are seeing increased exploration of Jute's versatile applications for lifestyle and promotional bags, decoratives, geo-textiles, apparels, composites, upholstery furnishings, and also non-wovens for both technical and non technical purposes.

We are seeing increased institutional support for inculcating modern Jute farming practices like use of certified seeds, row-sowing and mechanised de-weeding which would help increase yields.

We have seen pro-active efforts from the Textile Ministry for supporting modernisation and exposure of the Jute Industry in the year gone by and this augurs well for the future.

iii) Threats/Risks and Concerns

Following are the major areas of risks and concerns:

- a) With annual review of the Jute Packaging Material Act, 1987, the jute industry constantly faces uncertainty with respect to government supplies. Despite its eco-friendly nature and ability to withstand multiple use, jute industry is forced to plead its case each year for jute packing for foodgrain which is a major part of the industry's demand.
- b) Adhoc absenteeism, shortage of skilled labour and union activism further add to high manpower costs. There is an urgent need for organised training facilities for attracting new workers to the industry at an early age.
- c) Weather plays a vital role while sowing, growth as well as in the post harvest period when water is required for retting.
- d) Bangladeshi Govt. supports its local jute industry by providing interest subventions and export subsidy to its local industry. The fate of export benefits to the Indian Jute industry, especially Duty Drawback post-GST remains unclear.
- e) Usage of credible mass communication for educating the masses about the benefits of Jute is essential for growing mass market applications in the domestic market.

iv) Segment-wise or Product-wise Performance

As the Company's business activities fall within a single primary business segment, the disclosure requirement of Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India stands complied.

Directors' Report

v) Outlook

The industry continues to gain greater credibility with good governance in the monitoring of Government procurement of foodgrain sacking bags which augurs well for the future.

After the highs of January-September 2016, prices for jute used for making sacking have normalised significantly whereby the Government has made substantial savings in bag procurement costs. The weather forecast for the current year is also normal and we have already seen favourable sowing season weather in March 2017. Good agricultural production is expected to further boost demand for jute products in FY18.

The Indian Meteorological Department has again already predicted a good monsoon in 2017 whereby record jute production is expected in 2017.

As seen in the last year, with higher foodgrains production, higher government sacking offtake is expected. Hence, Government sacking orders for jute would remain robust. However, the export markets for India, particularly Jute Yarn, will continue to see Government-supported, low-wage Bangladeshi products providing stiff competition.

Increasing demand for natural fibre products and new applications of jute, especially in technical areas like roads and erosion control, is likely to give a fillip to the jute industry.

Although the absolute numbers are still low, we are witnessing a surge in use of natural fibres, especially jute, in lifestyle as well as technical areas. Use of geotextiles, especially for road construction, has received a great impetus in the last year with large allocations made by various states, especially North East, for the same.

Jute is gaining increasing popularity as the world's most sustainable natural fibre with a crop cycle of a mere 120 days. Environment friendly products are likely to become a first choice for an increasingly enlightened population in India as well.

vi) Internal Control System and their Adequacy

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

The Company's new ERP Software has also been implemented and trial runs in March 2017 have been successful.

vii) Industrial Relations Front

Your Company maintained good industrial relations during the year under review. In addition to various staff welfare schemes, a renewed focus on sanitation and hygiene has been taken up. The Company seriously propagated the importance of the Jute specific PGDJTM course at Calcutta University and has sponsored students for the course as well.

With full support from Ludlow management, despite the initial difficulties faced by workers in getting cash during the demonetization period, the workers have accepted banking channels enthusiastically.

viii) Cautionary Statement

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

6. CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013; and as stipulated under the SEBI (Listing Obligations & Disclosure Requirements), 2015, a separate section on corporate governance along with a certificate from the Statutory Auditors of the Company confirming the compliance, is annexed and forms part of this Report.



Directors' Report

7. EXTRACT OF THE ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return for the year ended 31st March, 2017 in Form No MGT 9 is annexed as Annexure II, forming part of this Report.

8. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

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

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

A Related Party Policy has been devised by the Board of Directors for determining the materiality of transactions with related parties and dealings with them. The said policy may be referred to at the website of the Company www.ludlowjute.com. The Audit Committee reviews all related party transactions quarterly. Necessary approval of the Audit Committee and the Board of Directors were taken wherever required.

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

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

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

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

11. RISK AND MITIGATING STEPS

The Company has identified various risks faced from different areas. As required under the SEBI (Listing Obligations & Disclosure Requirements), 2015, the Board has adopted a Risk Management Policy whereby a proper framework is set up. Appropriate structures are present so that risks are inherently monitored and controlled. A combination of policies and procedures attempts to counter risk as and when they evolve.

The Company has also formed a Risk Management Committee which monitors the risk elements and mitigation procedures at periodical intervals. The constitution and terms of reference are set out in details in the Corporate Governance Report. The risks and its mitigating factors are discussed by the Committee and subsequently placed before the Board.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Composition and terms of reference of the Corporate Social Responsibility Committee have been furnished in the Corporate Governance Report, forming part of this Report. The said policy may be referred to on the Company's official website www.ludlowjute.com.

The Company wishes to inform the members that it is well aware and taking care of its social responsibilities and during the year the gross amount spent by the Company as CSR expenditure is ₹ 8.47 Lacs.

In terms of provisions under Section 135 of the Companies Act, 2013, the CSR expenses to be incurred by the Company during the year 2016-17 was ₹ 3.70 lakhs. The Company complied with all the necessary provisions of the Companies Act, 2013, by spending the said amount on the activities as identified and approved by the CSR Committee.

13. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

A Vigil Mechanism/Whistle Blower Policy has been formulated by the Company for its Directors and Employees.

Directors' Report

The policy allows intimation by affected persons in good faith of any concern or misconduct through a written communication. The Audit Committee oversees the Vigil Mechanism for disposal of the complaints. The said policy may be referred to on the Company's website www.ludlowjute.com.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms. Minu Rohila resigned as the Company Secretary & Compliance Officer of the Company w.e.f 17th September, 2016 and in her place, Ms. Madhuri Pandey was appointed as the Company Secretary & Compliance Officer w.e.f 1st March, 2017.

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

I. Declaration from Independent Directors on Annual Basis

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

II. Nomination and Remuneration Policy

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

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

III. Ratio of Remuneration of each Director

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

15. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) That in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable Accounting Standards had been followed;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the Directors have prepared the accounts for the financial year ended 31st March, 2017, on 'a going concern' basis;
- e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



Directors' Report

16. BOARD MEETINGS

The Board of Directors of the Company met four times during the financial year ended 31st March, 2017, at a gap not exceeding one hundred and twenty days as per Section 173 of the Companies Act, 2013. Details are available in the Corporate Governance Report forming part of this Report.

17. AUDIT COMMITTEE

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

18. PARTICULARS OF EMPLOYEES

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

19. FIXED DEPOSIT

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

20. SUBSIDIARY COMPANIES

During the year no Company became or ceased to be a subsidiary, joint venture partner or associate of the Company. The Performance and Financial position of the subsidiaries are as hereunder: (₹ in 000)

Financial Position	Sijberia Industries Ltd.	Ludlow Exports Ltd.
Reporting Currency	INR	INR
Share Capital	10440	2500
Reserves and Surplus	11028	607
Total Assets	21599	3173
Total Liabilities	21599	3173
% of Shareholding	53.91%	100%
Performance	Sijberia Industries Ltd.	Ludlow Exports Ltd.
Turnover	1274	212
Profit before Tax	353	186
Provision for Taxation	120	56
Profit after Tax	233	130
Proposed Dividend	NIL	NIL

21. CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

22. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material changes and commitments affecting the Financial Position of the Company have occurred between 31st March, 2017 and the date of Board's Report.

23. LISTING WITH STOCK EXCHANGE

Your Company is listed with Bombay Stock Exchange Limited and has paid listing fees for the financial year 2017-18.

Directors' Report

24. STATUTORY AUDITORS

Section 139 of the Companies Act, 2013, lays down the criteria for appointment and mandatory rotation of Statutory Auditors. Pursuant to Section 139 and the Rules made thereunder, it is mandatory to rotate the Statutory Auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditors in the Company.

The present auditors, M/s Singhi & Co., Chartered Accountants, who had been appointed as Statutory Auditors of the Company will be completing their transitional period i.e. a period of three years at the ensuing AGM. After deliberations at the Audit Committee meeting held on 28th April, 2017, Audit Committee Chairman recommended to the Board, the appointment of M/s. J. K. Agarwal & Associates as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of 38th AGM till the conclusion of 43rd AGM subject to approval by the members of the Company at the ensuing AGM and same shall be subject to ratification in every subsequent Annual General Meeting till the sixth such meeting by way of passing an ordinary resolution as per Section 139 of the Companies Act, 2013 and Rule 3 (7) of the Companies (Audit and Auditors) Rules, 2014 on a remuneration to be mutually agreed.

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

25. COST AUDITORS

As per directives of the Central Government and in pursuance to the provisions of Section 148 of the Companies Act, 2013 read with Rules framed there under, the Company is required to carry out an audit of Cost Accounts maintained by the Company in respect of each financial year. As per recommendation from Chairman of Audit Committee, M/s Prasad & Co., Cost Accountants have been appointed as Cost Auditors to conduct the audit of Cost Records of your Company for the financial year 2017-18. The remuneration proposed to be paid to them, recommended for ratification by the Audit Committee, requires ratification by the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

26. SECRETARIAL AUDIT

In terms of Section 204 of the Act and Rules made thereunder, Mr. B.N. Khandelwal, Practicing Company Secretary has been appointed as Secretarial Auditor of the Company. The report of the Secretarial Auditor is enclosed as Annexure III to this Report. The Report is self explanatory.

27. ENVIRONMENT AND SAFETY

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

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

28. APPRECIATION

Your Directors wish to place on record their appreciation for the commitment and contributions made by the employees. We would like to express our sincere gratitude to the Banks, Government Authorities, Customers, Dealers, and all Stakeholders for their continued support to the Company. We value the enduring relation and co-operation from all associates.

Registered Office:

KCI Plaza, 4th Floor,
23C, Ashutosh Chowdhury Avenue,
Kolkata – 700 019
Dated: 28th April, 2017

For and on behalf of the Board

R.V. Kanoria
Non-Executive Chairman

Ajay Todi
Managing Director



Annexure to the Directors' Report

ANNEXURE I

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

I. 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 –

- Use of LED lights to minimize energy consumption.
- Maintenance of all machines, including boiler and compressor to make them energy efficient and minimize losses.
- Power Factor sustained at significantly high levels by adding capacitor banks where required.
- Optimizing transformer uses and load distribution.
- Installation & Commissioning of Roof Top Solar Power Plant.
- Installation of VFDs with bypass distribution panel.

(b) The Company has been making investment on continuous basis for the purpose of Energy Conservation.

II. TECHNOLOGY ABSORPTION :

Research & Development (R & D)

(a) Absorption of technology :

The Company is a member of the Indian Jute Industries Research Association (IJIRA) and National Jute Board (NJB), the prime Research bodies for the Jute Industry and is getting the benefits thereof.

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

The Company derives benefits by higher value addition and per unit realization of its products.

(d) Expenditure on R & D :

The Company contributes to the Indian Jute Industries Research Association for Research and Development. Development of new products to meet new customer requirements is an ongoing process.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

(a) Export activities :

During the year under review, the FOB value of the exports of the Company was ₹ 5115 lacs as against ₹ 4531 lacs in the previous year.

(b) Total foreign exchange used and earned :

Used ₹ 6805 lacs
Earned ₹ 5115 lacs

Annexure to the Directors' Report

ANNEXURE II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

for the financial year ended 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS :

i) CIN	L65993WB1979PLC032394
ii) Registration Date	4/12/1979
iii) Name of the Company	Ludlow Jute & Specialities Limited
iv) Category / Sub-Category of the Company	Public Company Limited by shares
v) Address of the Registered office and contact details	KCI Plaza, 4th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata – 700 019 Telephone : 91-33-4050-6300/6330/31/32 Fax Number : 91-33-4050-6333/6334 Email Address : info@ludlowjute.com/ investors.grievance@ludlowjute.com
vi) Whether listed Company ? Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited 12/1/5, Manoharpukur Road, Ground Floor Kolkata – 700 026 Telephone : 91-33-4072 4051/52/53 Fax Number : 91- 33-4072 4050 Email Address: mcssta@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section of Companies Act, 2013
1	R.V. Investment & Dealers Ltd.	U65993WB1972PLC028595	Holding	62.35%	2(46)
2.	Ludlow Exports Ltd.	U65191WB1994PLC065400	Subsidiary	100%	2(87)
3	Sijberia Industries Ltd.	U65191WB1994PLC065401	Subsidiary	53.91%	2(87)



Annexure to the Directors' Report

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

i) Category-wise Share Holding

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

Annexure to the Directors' Report

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	351582	17901	369483	3.4297	346209	17901	364110	3.3798	(0.0499)
ii) Overseas	33981	-	33981	0.3154	53140	-	53140	0.4933	0.1779
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1255987	1002362	2258349	20.9628	1458526	982356	2440882	22.6571	1.6943
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	871489	-	871489	8.0895	675170	-	675170	6.2672	(1.8223)
c) Others	10	-	10	0.0001	10	-	10	0.0001	-
Sub-Total -B (2)	2513049	1020263	3533312	32.7975	2533055	1000257	3533312	32.8034	0.00
Total Public Shareholding (B) = (B)(1)+ (B)(2)	2513049	1020863	3533912	32.8031	2533055	1000857	3533912	32.8090	0.00
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9752257	1020863	10773120	100	9772263	1000857	10773120	100	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
1.	Shyam Sundar Kanoria	5200	0.0483	-	NIL	NIL	-	-
2	Rajya Vardhan Kanoria	5100	0.0473	-	10300	0.0956	-	-
3	R V Investment & Dealers Ltd.	6716507	62.3450	-	6716507	62.3450	-	-
4	Kirtivardhan Finvest Services Ltd	512401	4.7563	-	512401	4.7563	-	-
	Total	7239208	67.1969	-	7239208	67.1969	-	-

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

There is no change in the shareholding of the Promoter Group during the financial year 2016-17.



Annexure to the Directors' Report

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

Sl. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Manu Gopaldas Chhabria	297248	2.7592	148235	1.3760
2.	MPR Bearing and Investment Pvt Ltd.	76623	0.7112	114118	1.0593
3.	Dr Ramesh Chimanlal Shah	–	–	92000	0.8540
4.	Emkay Global Financial Services Limited	–	–	55566	0.5158
5.	Ruby Amin Merchant	55518	0.5153	53000	0.4920
6.	Om Nath Garg	39050	0.3625	50253	0.4665
7.	Cyrus Shavak Patel	50000	0.4641	50000	0.4641
8.	Madhu Manu Chhabria	60807	0.5644	49336	0.4580
9.	Amin Hasanali Merchant	31640	0.2937	31640	0.2937
10.	M. Sekhar	–	–	21691	0.2013
11.	Rishra Investments Limited	58006	0.5384	–	–
12.	MPR Bearing & Investment Pvt. Ltd.	42545	0.3949	–	–
13.	Raj Kumar Agarwal	25000	0.2321	–	–

v) Shareholding of Directors and Key Managerial Personnel

Sl.No	For Each of the Directors and KMP Name of the Director/KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	R.V. Kanoria	5100	0.0473	10300	0.0956
2.	Satish Kapur	1000	0.0090	1000	0.0090
3.	Ajay Todi	500	0.0050	500	0.0050

Annexure to the Directors' Report

vi) Indebtedness

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

(₹ in Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1) Principal Amount	27.62	–	–	27.62
2) Interest due but not paid	–	–	–	–
3) Interest accrued but not due	0.05	–	–	0.05
Total (1+2+3)	27.67	–	–	27.67
Change in Indebtedness during the financial year				
+ Addition	–	–	–	–
– Reduction	5.17	–	–	5.17
Net Change	5.17	–	–	5.17
Indebtedness at the end of the financial year				
1) Principal Amount	22.50	–	–	22.50
2) Interest due but not paid	–	–	–	–
3) Interest accrued but not due	0.03	–	–	0.03
Total (1+2+3)	22.53	–	–	22.53

vii) Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of Managing Director	Total Amount (in ₹)
		Mr. Ajay Todi (Amount in ₹)	
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	43,80,000	43,80,000
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	37,30,535	37,30,535
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL
2.	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission		
–	– As a % of Profit	10,93,575	10,93,575
–	– Others Specify	–	–
5	Others, please specify		
	Provident Fund & other Funds	4,38,000	4,38,000
	Performance Bonus	NIL	NIL
	Total (A)	96,42,110	96,42,110



Annexure to the Directors' Report

B. Remuneration of other Directors : Independent Directors

Particulars of Remuneration	Name of Directors							Total Amount (in ₹)
	Mr. A.C. Mukherji	Mr. J.K. Bhagat	Mr. I. P. Poddar	Mr. B. Choudhuri	Mr. L.G. Toolsidass	Mr. Satish Kapur	Ms. Nayantara Palchoudhuri	
Fees for attending Board/Committee meetings (₹)	1,25,000	1,29,500	21,000	1,40,000	1,66,500	90,000	90,000	7,62,000
Commission (₹)	-	-	-	-	-	-	-	-
Others, please specify (₹)	-	-	-	-	-	-	-	-

Other Non-Executive Directors

Particulars of Remuneration	Name of Directors	Total Amount (in ₹)
	Mr. R.V. Kanoria	
Fees for attending Board/Committee meetings (₹)	70,000	70,000
Commission (₹)	-	-
Others, please specify (₹)	-	-

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

Sl. No.	Particulars of Remuneration	Name of the Key Managerial Personnel			Total Amount (in ₹)
1.	Gross Salary	Mr. R.K. Gupta CFO	Ms. Minu Rohila, CS (upto 17/09/2016)	Ms. Madhuri Pandey CS (w.e.f 01/03/2017)	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	8,40,000	1,16,900	21,250	9,78,150
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	5,22,000	NIL	NIL	5,22,000
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission				
	- As a % of Profit	NIL	NIL	NIL	NIL
	- Others Specify	NIL	NIL	NIL	NIL
5.	Others, please specify				
	Contribution to Provident Fund	84,000	11,690	2,125	97,815
	Performance Bonus	NIL	NIL	NIL	NIL
	Total (C)	14,46,000	1,28,590	23,375	15,97,965

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

Annexure to the Directors' Report

ANNEXURE III

Secretarial Audit Report

For The Financial Year Ended 31st March, 2017

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

To

The Members

Ludlow Jute & Specialities Limited

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

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by Ludlow Jute & Specialities Limited ("the Company"), for the Financial Year ended on 31st March, 2017, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) The Foreign Exchange Management Act, 1999 and the rules & regulations made thereunder;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009.
- 6) Other applicable Acts –
 - i. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - ii. Employees' State Insurance Act, 1948;
 - iii. Factories Act, 1948;
 - iv. Indian Contract Act, 1872;



Annexure to the Directors' Report

- v. Income Tax Act, 1961 and Indian Tax Laws;
- vi. Industrial Dispute Act, 1947;
- vii. The Maternity Benefits Act, 1948;
- viii. The Payment of Bonus Act, 1965;
- ix. The Payment of Gratuity Act, 1972;
- x. The Payment of Wages Act, 1936 and other applicable labour laws.

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

- i. Secretarial Standards issued by the Institute of Companies Secretaries of India;
- ii. The Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited.

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

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

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

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

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

Sd/-

B. N. Khandelwal

Company Secretary in Practice

ACS: 1614

CP: 1148

Place: Kolkata

Date: 19th April, 2017

Annexure to the Directors' Report

ANNEXURE IV

RATIO OF REMUNERATION

(i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year;	Mr. A.K. Todi – 39.71:1		
(ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year;	Key Managerial Personnel: Mr. A.K. Todi, MD: 40.13% Mr. R.K. Gupta, CFO: 5.30% Ms. Madhuri Pandey, CS (w.e.f 01.03.2017): NA Other Directors do not draw remuneration		
(iii) the percentage increase in the median remuneration of employees in the Financial Year;	7.44%		
(iv) the number of permanent employees on the rolls of Company;	904 employees as on 31.03.2017		
v) (the explanation on the relationship between average increase in remuneration and Company performance;	Average increase in remuneration of managerial employees was 8.64% for the year 2016-17. The increment is as per the terms of employment and based on the performance during the year 2015-16.		
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	The increase in remuneration of the Key Personnel are made partly on the basis of their performance and partly on the basis of Company's performance.		
		2016-17	2015-16
(vii) a. Variations in the market capitalisation of the Company;	Market Capitalisation (₹ in lacs):	9464.19	6431.55
b. Price earnings ratio at the closing date of the current financial year and previous financial year;	Price Earnings Ratio :	12.79:1	11.41:1
c. Increase/decrease in the market quotations of the shares of the Company as at the close of the current financial year and previous financial year;	Market Quotations: (in ₹)	87.85	59.70
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average Salary increase of non-managerial employees is 4.77% Average Salary increase of managerial employees is 8.64%		
(ix) comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company	Same as in (vi) above		
(x) the key parameters for any variable component of remuneration availed by the Directors;	All employees including the Managing Director's entitlement to increment has a variable component which is based on the individual's performance and Company's financial performance. Other components of remuneration are not variable during a particular year.		
(xi) the ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year;	No employee received remuneration higher than Managing Director.		
(xii) affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March, 2017 is as per the Remuneration Policy of the Company.		



Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

2.1 Composition of the Board

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

The composition and category of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting and the Directorship, Chairmanship and/or Membership of Committees held as on 31st March, 2017 by each Director in other Companies are as under :

Name of Directors	Position Held	Category/ Classification	No. of Board Meetings attended	Attendance in last AGM	No. of shares held	No. of other Directorships	Details of other Board Committees Membership	
							Member	Chairman
Mr. R. V. Kanoria	Director	Non-Executive Chairman/ Promoter	4	Yes	10300	4	5	2
Mr. A. C. Mukherji	Director	Non-Executive Independent	4	Yes	—	3	2	1
Mr. J. K. Bhagat	Director	Non-Executive Independent	4	No	—	2	3	1
Mr. I. P. Poddar	Director	Non-Executive Independent	0	No	—	2	2	—
Mr. B. Choudhuri	Director	Non-Executive Independent	4	Yes	—	4	1	5
Mr. L. G. Toolsidass	Director	Non-Executive Independent	4	Yes	—	1	1	1
Mr. Satish Kapur	Director	Non-Executive Independent	4	No	1000	2	—	—
Ms. Nayantara Palchoudhuri	Director	Non-Executive Independent	4	Yes	—	4	3	—
Mr. Ajay Todi	Managing Director	Executive	4	Yes	500	1	1	—

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

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

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

2.2 Board Meetings

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

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

Report on Corporate Governance

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

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

During the Financial year ended 31st March, 2017, four Board meetings were held on 9th May, 2016, 27th July, 2016, 4th November, 2016 and 19th January, 2017. The maximum interval between any two meetings was well within the maximum allowed gap of one hundred and twenty days.

2.3 Board Committees

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

2.4 Disclosure of Relationships Between Directors Inter-Se

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

The Board has currently established the following Committees.

3. AUDIT COMMITTEE

3.1 As on 31st March, 2017 the Committee comprised of four Independent Directors all of whom are financially literate and have relevant finance exposure.

3.2 The Committee comprises of Mr. A.C. Mukherji as the Chairman and includes Mr. B. Choudhuri, Mr. I.P. Poddar and Mr. L.G. Toolsidass as its members. The meetings of Audit Committee are also attended by the Managing Director, Chief Financial Officer and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board.

3.3 The Audit Committee met four times during the Financial year ended 31st March, 2017 on 9th May, 2016, 27th July, 2016, 4th November, 2016 and 19th January, 2017.

The attendance of each Committee member is as under:

Name of Member	Status	No. of meetings attended
Mr. A.C. Mukherji	Chairman	4
Mr. I.P. Poddar	Member	0
Mr. B. Choudhuri	Member	4
Mr. L.G. Toolsidass	Member	4

3.4 Terms of Reference

The role and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and as specified under the SEBI (Listing Obligations & Disclosure Requirements), 2015. The role of the Audit Committee includes the following:

- Overseeing Company's financial reporting process and examination of the Financial Statement and the auditors' report thereon;
- Recommending the terms of appointment of the statutory and cost auditors of the Company along with proposed remuneration;
- Reviewing with management the quarterly and annual financial results before submission to the Board;
- Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit;



Report on Corporate Governance

- Examining the findings of the Internal Auditors and to discuss these periodically with the Company's officials relating to internal control procedures;
- Reviewing the compliances with Listing Agreement and other legal requirements relating to Financial Statements;
- Reviewing the Company's Financial and Risk Management Policies;
- Disclosure of transactions of the Company with Related Parties; if any;
- Reviewing the accounting policies and adoption of applicable Accounting Standards;
- Reviewing compliances as regards the Company's Whistle Blower Policy.

4. NOMINATION AND REMUNERATION COMMITTEE

4.1 As per the provisions of Section 178 of the Companies Act, 2013 the nomenclature of the 'Remuneration Committee' has been changed to Nomination and Remuneration Committee w.e.f 9th May, 2014. The Committee comprises of Mr. B. Choudhuri as the Chairman and includes Mr. L. G Toolsidass and Mr. I. P. Poddar as its members.

4.2 The Committee met thrice during the financial year ended 31st March, 2017 on 9th May, 2016, 4th November, 2016 and 19th January, 2017.

The attendance of each Committee Member is as under:

Name of Member	Status	No. of Meetings attended
Mr. B. Choudhuri	Chairman	3
Mr. L.G. Toolsidass	Member	3
Mr. I.P. Poddar	Member	0

4.3 Terms of Reference

The role and terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and as specified under the SEBI (Listing Obligations & Disclosure Requirements), 2015. The role of the Committee includes the following:

- Identify persons who are qualified to become Directors;
- Identify persons who may be appointed as Key Managerial Personnel and in Senior Management Positions;
- Recommend to the Board for re-appointment of Directors based on performance evaluation of the retiring Director;
- Formulating a remuneration policy of the Company;
- To propose remuneration packages for the Directors and Key Managerial Personnel including Senior Management at one level below the Board;
- Recommending re-constitution of the Board or Senior Management as may be required from time to time under the prevailing laws and for operational effectiveness of the Company.

4.4 Mechanism for evaluation of Non-Executive Directors

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

5. REMUNERATION OF DIRECTORS

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

Report on Corporate Governance

5.1 Details of remuneration of Executive Director for the year ended 31st March, 2017.

(Amount in ₹)

Name of the Directors	Salary	Commission	Contribution to provident fund	Value of other perquisites	Gratuity	Leave Encashment	Tenure of appointment
Mr. Ajay Todi	43,80,000	10,93,575	4,38,000	37,30,535	—	—	5 years (from 01.07.2014 to 30.06.2019)

Notes:

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

5.2 Criteria of making payments to Non-Executive Directors.

It is recognized that overall remuneration paid to Directors should be reflective of the size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration. Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") are paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) within regulatory limits, on the basis of number of such meetings attended by them, subject to review on a periodic basis.

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

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

5.3 Details of the sitting fees paid to Non-Executive Director for the year ended 31st March, 2017 is given below:-

Name of the Directors	Sitting fees (₹)	Salary (₹)	Commission (₹)	Service Contract	Notice Period	Stock Options
Mr. R. V. Kanoria	70,000	-	-	N.A.	N.A.	N.A.
Mr. J.K. Bhagat	1,29,500	-	-	N.A.	N.A.	N.A.
Mr. A.C. Mukherji	1,25,000	-	-	N.A.	N.A.	N.A.
Mr. I. P. Poddar	21,000	-	-	N.A.	N.A.	N.A.
Mr. B. Choudhuri	1,40,000	-	-	N.A.	N.A.	N.A.
Mr. L.G. Toolsidass	1,66,500	-	-	N.A.	N.A.	N.A.
Mr. Satish Kapur	90,000	-	-	N.A.	N.A.	N.A.
Ms. Nayantara Palchoudhuri	90,000	-	-	N.A.	N.A.	N.A.

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

6.1 As per the provisions of Section 178 of the Companies Act, 2013 the nomenclature of the 'Share Transfer and Shareholders' Grievance Committee' has been changed to Stakeholders' Relationship Committee w.e.f 9th May, 2014. The Committee comprises of Mr. J.K. Bhagat as the Chairman and includes Mr. L. G Toolsidass, Mr. I.P. Poddar and Mr. Ajay Todi as its members. The Committee meets atleast once in a month. Ms. Madhuri Pandey, Company Secretary is the Compliance Officer of the Company.

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



Report on Corporate Governance

6.3 In the beginning of the year, there were no outstanding complaints, the total numbers of complaints received during the year under review were 39 and all were addressed and replied to the satisfaction of shareholders. Outstanding complaints as on 31st March, 2017 was nil.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

7.1 As per the provisions of Section 135 of the Companies Act, 2013 the Corporate Social Responsibility Committee has been constituted by the Board of Directors on 29th July, 2014. The Committee comprises of Mr. J.K. Bhagat as the Chairman and includes Mr. R. V. Kanoria and Mr. Ajay Todi as its members.

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

7.3 The CSR Committee met four times during the financial year ended 31st March, 2017 on 9th May, 2016, 27th July, 2016, 4th November, 2016 and 19th January, 2017.

8. RISK MANAGEMENT COMMITTEE

8.1 Risk Management Committee has been constituted by the Board of Directors w.e.f 6th November, 2014 as per the SEBI (Listing Obligations & Disclosure Requirements), 2015. The Committee comprises of Mr. L. G. Toolsidass as the Chairman and includes Mr. Ajay Todi and Mr. R. K. Gupta as its members.

8.2 The Risk Management Committee met twice during the financial year ended 31st March, 2017 on 9th May, 2016 and 4th November, 2016.

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

9. INDEPENDENT DIRECTORS' MEETING

As per the SEBI (Listing Obligations & Disclosure Requirements), 2015, the Independent Directors held a meeting on 22nd December, 2016 without the presence of the Executive Director and Management representatives.

9.1 Familiarisation Programme for Independent Directors

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

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

10. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

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

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

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

12. CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The Board of Directors has laid down a Code of Conduct for its members and the senior managerial personnel of the Company. All the Directors and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct of the Company, as envisaged in Regulation 26(3) of the SEBI (Listing Obligations & Disclosure Requirements) with the Stock Exchange. The code of conduct has been posted on the website of the Company, (www.ludlowjute.com).

Report on Corporate Governance

13. DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH, 2017

Shareholding of Director as on 31st March, 2017 :

Name of the Directors	No. of Shares	Shareholding
1. Mr. R.V.Kanoria	10300	0.1000
2. Mr. Satish Kapur	1000	0.0090
3. Mr. Ajay Todi	500	0.0050

14. SUBSIDIARY COMPANIES

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

15. GENERAL BODY MEETINGS

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

Annual General Meeting (AGM)	Day, Date & Time	Venue
35th AGM	Friday, 5th September, 2014 at 3.00 P.M.	Rotary Sadan 94/2, Chowringhee Road, Kolkata – 700020
36th AGM	Tuesday, 1st September, 2015 at 3.00 P.M.	Rotary Sadan 94/2, Chowringhee Road, Kolkata – 700020
37th AGM	Thursday, 1st September, 2016 at 3.00 P.M.	Rotary Sadan 94/2, Chowringhee Road, Kolkata – 700020

Notes:

15.2 No special resolution was passed in the 36th AGM. However, following Special Resolution(s) were passed by the members of the Company in the 35th and 37th Annual General Meeting:

15.2.1 Annual General Meeting held on 5th September, 2014

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

15.2.2 Annual General Meeting held on 1st September, 2016

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

15.3 No Special Resolution was passed during the year ended 31st March, 2017 through postal ballot. At present, there is no proposal for passing of any Special Resolution through Postal Ballot.

16. DISCLOSURES

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

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

The necessary disclosures regarding the transactions are given in the notes to accounts.

The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.



Report on Corporate Governance

The Company has also formulated a policy for determining the Material Related Party Transactions and the details of such policies are disseminated in the website of the Company (www.ludlowjute.com)

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

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

16.3 No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or by any other statutory authority on any matter related to capital markets, during the last three years.

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

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

17. MEANS OF COMMUNICATION

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

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

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

18. GENERAL SHAREHOLDERS INFORMATION

18.1 The Registered office of the Company is situated at

KCI Plaza, 4th Floor,

23C Ashutosh Choudhury Avenue,

Kolkata 700 019

Phone : 91-33-4050-6300/6330/31/32

Fax: 91-33-4050-6333/6334

E-mail: info@ludlowjute.com/investors.grievance@ludlowjute.com

Website: www.ludlowjute.com

18.2 Annual General Meeting is proposed to be held on Monday, 4th September, 2017 at 11.00 A.M at Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020.

18.3 Financial year: 1st April, 2016 to 31st March, 2017.

18.4 Date of Book Closure: 22/08/2017 to 04/09/2017 (both days inclusive)

18.5 Dividend Payment Date: On or after 04.09.2017 (within the statutory period of 30 days), subject to Shareholders' approval.

18.6 Listing of Shares and Other Securities

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

18.7 Listing Fees

The Company is in process of payment of listing fees for the financial year 2017-18 to the Bombay Stock Exchange Limited, where securities of the Company are listed.

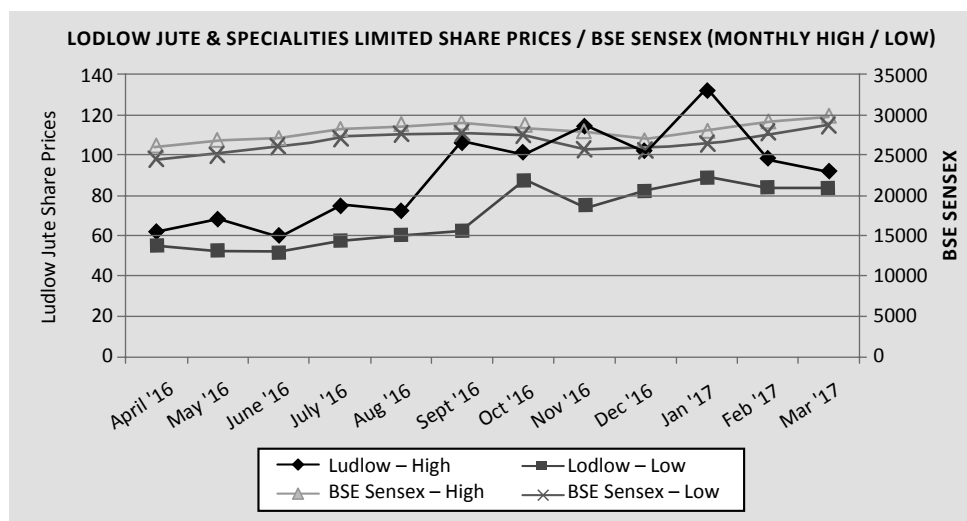
Report on Corporate Governance

18.8 Market Price Data

The details of monthly high/low market price of the shares at Bombay Stock Exchange Limited during each month of 2016-2017 are given hereunder:

Month	Quotation of Bombay Stock Exchange (in ₹)	
	HIGH	LOW
APR- 2016	61.95	55.15
MAY-2016	68.50	52.55
JUNE-2016	60.00	51.50
JULY-2016	74.50	57.35
AUG-2016	72.45	60.10
SEP- 2016	106.50	62.50
OCT- 2016	101.00	87.10
NOV-2016	114.00	75.10
DEC- 2016	102.70	82.25
JAN- 2017	132.00	88.70
FEB- 2017	98.40	84.20
MAR-2017	91.80	83.50

18.9 Stock Performance in Comparison to broad based indices



18.10 Registrar and Share Transfer Agents:

MCS Share Transfer Agent Limited
12/1/5, Manoharpukur Road, Ground Floor
Kolkata - 700 026
Phone : (033) 4072 4051 / 52 / 53
Fax: (033) 4072 4050
E-mail : mcssta@rediffmail.com



Report on Corporate Governance

18.11 Share Transfer System

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

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

18.12 Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2017 is given below:

No. of Shares (Range defined)	No. of Equity Shares held	No. of Shareholders	Percentage of Shareholding (%)
1 - 500	1409241	9916	92.6816
501 - 1000	364321	442	4.1312
1001 - 2000	252113	164	1.5329
2001 - 3000	169221	66	0.6169
3001 - 4000	111239	31	0.2897
4001 - 5000	80860	17	0.1589
5001 -10000	256419	34	0.3178
10001 - 50000	387626	21	0.1963
50001-100000	250819	4	0.0374
And above	7491261	4	0.0374
Total	10773120	10699	100.00

Shareholding Pattern as on 31st March, 2017

Category	No. of Shares	% of Shareholding
Promoters Holding		
a) Indian Promoters	7239208	67.1969
b) Foreign Promoters	—	—
Sub Total "A"	7239208	67.1969
Non-Promoters Holding		
a) Banks, Financial Institutions/ Insurance Companies	600	0.0056
b) Private Corporate Bodies	364110	3.3798
c) Resident Individuals	3116052	28.9244
d) NRI/ OCB	53140	0.4930
e) Trust & Foundations	10	0.0001
Sub Total "B"	3533912	32.8029
Grand Total : "A+B"	10773120	100

18.13 Dematerialisation of Shares

90.70 % i.e. 9772263 Equity Shares out of total Equity Capital are held in dematerialised form with NSDL and CDSL as on 31.03.2017.

Report on Corporate Governance

18.14 Plant Location

Chengail, Howrah - 711 308
West Bengal, India
Phone: (033) 2642 8366/8820/9821
Fax : (033) 2642 8367

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

18.16 Exclusive e-mail id for Investors' Grievances

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

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

19. CEO/CFO CERTIFICATION

A Certificate from the Managing Director and Chief Financial Officer, pursuant to Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 had been tabled at the Board Meeting held on 28th April, 2017 and is also annexed to this report.

20. POSTAL BALLOT

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

21. MANDATORY AND NON-MANDATORY REQUIREMENTS

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

22. DECLARATION OF MANAGING DIRECTOR

I confirm that all members of the Board of Directors and senior managerial personnel have affirmed their compliance with the Code of Conduct, for the financial year 2016-17.

Place: Kolkata
Date: 28th April, 2017

Ajay Todi
Managing Director



Report on Corporate Governance

COMPLIANCE CERTIFICATE

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

The Board of Directors

28th April, 2017

Ludlow Jute & Specialities Limited

KCI Plaza, 4th Floor

23C, Ashutosh Chowdhury Avenue

Kolkata - 700 019

Dear Sir(s),

- A. We have reviewed the Financial Statements and the Cash Flow Statement for the quarter and the year ended 31st March, 2017 and that to the best of our knowledge and belief :
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year, which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee :
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the Financial Statements; and
 - (3) there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours Sincerely,

For **Ludlow Jute & Specialities Limited**

Ajay Kumar Todi

Managing Director

DIN : 00004380

Rajesh Kumar Gupta

Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Ludlow Jute & Specialities Limited

We have examined the compliance of conditions of Corporate Governance by **M/s Ludlow Jute & Specialities Limited** ('the Company') for the year ended 31st March, 2017 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st April, 2016 to 31st March, 2017.

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.

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

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

161, Sarat Bose Road
Kolkata - 700 026
Date : 28th April, 2017

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

Independent Auditors' Report

**To The Members of
Ludlow Jute & Specialities Limited**

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **LUDLOW JUTE & SPECIALITIES LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

Independent Auditors' Report

2. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the Directors as on 31st March 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B';
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 2.27 to the financial statements;
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 2.42 to the standalone financial statements.

161, Sarat Bose Road
Kolkata - 700 026
Date : 28th day of April, 2017

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

Annexure 'A' to the Independent Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of Ludlow Jute & Specialities Limited for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The management has physically verified fixed assets at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified at reasonable intervals during the year by the Management/ Internal Auditors. The discrepancies noticed on verification between the physical stock and the book stocks, wherever ascertained were not significant and have been properly dealt in the books of accounts.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has neither issued any guarantee nor has provided any security on behalf of any party.
- v. In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year.
- vi. The Central Government has prescribed maintenance of cost records under section 148 (1) of the Companies Act. We have broadly reviewed such accounts and records and are of the opinion that prima facie, the prescribed accounts & records have been made & maintained but no detailed examination of such records and accounts have been carried out by us.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31st March, 2017 which have not been deposited on account of any dispute and the forum where the disputes are pending are as under:

Sl. No.	Nature of Dues	Gross Amount Outstanding (in ₹ '000)	Paid under protest (in ₹ '000)	Period to which the amount relates	Forum where dispute is pending
1	Sales Tax as per WBST Act 1994	2,220	1,120	1999-00 & 2004-05	WBCT (A & R) Board
2	CST Act 1956	154		1999-00 & 2004-05	WBCT (A & R) Board

Annexure 'A' to the Independent Auditors' Report

Sl. No.	Nature of Dues	Gross Amount Outstanding (in ₹ '000)	Paid under protest (in ₹ '000)	Period to which the amount relates	Forum where dispute is pending
3	WB VAT Act 2003	8,197	Nil	2005-06 to 2013-14	WBCT (A & R) Board
4	CST Act 1956	82,874	Nil		WBCT (A & R) Board
5	Entry Tax Act	112	Nil		WBCT (A & R) Board

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from a financial institution, bank, Government.
- ix. According to the information and explanations given to us, during the year, no money have been raised by way of initial public offer or further public offer. The Term loans were applied for the purpose for which they were raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

161, Sarat Bose Road
Kolkata - 700 026
Date : 28th day of April, 2017

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

Annexure 'B' to the Independent Auditors' Report

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control over financial reporting under clause (i) of sub-section 3 of section 143 of the Act of Ludlow Jute & Specialities Limited for the year ended 31 March 2017, we report that:

We have audited the internal financial controls over financial reporting of Ludlow Jute & Specialities Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

M. L. Shukla

Partner

Membership No. 051505

161, Sarat Bose Road

Kolkata - 700 026

Date : 28th day of April, 2017

Balance Sheet as at 31st March, 2017

(₹ in 000)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	107,977	107,977
Reserves and Surplus	2.2	362,478	288,748
		470,455	396,725
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.3	19,733	34,206
Deferred Tax Liabilities (Net)	2.4	10,844	6,128
Other Long-Term Liabilities	2.5	1,582	1,582
Long-Term Provisions	2.6	18,504	14,619
		50,663	56,535
CURRENT LIABILITIES			
Short-Term Borrowings	2.7	395,340	350,885
Trade Payables			
For MSME	2.8	—	—
For Others	2.8	189,245	221,489
Other Current Liabilities	2.9	129,927	128,175
Short-Term Provisions	2.6	25,685	84,302
		740,197	784,851
TOTAL		1,261,315	1,238,111
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.10	298,974	257,321
Intangible Assets	2.10	(1)	(1)
Capital Work-In-Progress		11,256	8,340
		310,230	265,661
Non-Current Investments	2.11	11,555	11,560
Long-Term Loans and Advances	2.12	30,692	11,549
		352,477	288,770
CURRENT ASSETS			
Inventories	2.14	592,594	620,626
Trade Receivables	2.15	237,216	251,962
Cash and Bank Balances	2.16	14,441	15,047
Short-Term Loans and Advances	2.12	38,528	38,728
Other Current Assets	2.13	26,059	22,978
		908,838	949,341
TOTAL		1,261,315	1,238,111
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements
As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No - 302049E

M. L. SHUKLA

Partner

Membership No. 051505

161, Sarat Bose Road

Kolkata - 700026

28th day of April, 2017

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

For and on behalf of the Board

Statement of Profit & Loss for the year ended 31st March, 2017

(₹ in 000)

INCOME	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from Operations (Gross)	2.17	3,594,370	3,588,780
Less: Jute Manufacturing Cess		34,565	34,898
Revenue from Operations (Net)		3,559,805	3,553,882
Other Income	2.18	12,617	4,055
Total Revenue		3,572,422	3,557,937
EXPENSES			
Cost of Materials Consumed	2.19	2,040,894	2,129,819
(Increase) / Decrease in Inventories of Finished Goods and Work-in-Progress	2.20	(22,572)	(16,342)
Employee Benefits Expense	2.21	803,143	768,750
Finance Costs	2.22	28,349	31,367
Other Expenses	2.23	561,968	499,329
		3,411,782	3,412,923
Profit before Tax, Depreciation and Amortisation		160,640	145,014
Depreciation and Amortisation Expense	2.24	50,174	58,615
Profit/(Loss) before Tax & Exceptional items		110,466	86,399
(Add)/Less : Exceptional Items	2.25	—	—
Profit before Tax		110,466	86,399
Tax Expense:	2.26		
Current Tax		32,020	29,629
Deferred Tax		4,716	373
Profit/(Loss) for the year		73,730	56,397
Earnings Per Share [Face value ₹ 10 /-]			
Weighted Average Number of Equity Shares outstanding during the year (in number)		10,773,120	10,773,120
Basic and Diluted earning per share (in ₹)		6.84	5.23
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No - 302049E

M. L. SHUKLA

Partner

Membership No. 051505

161, Sarat Bose Road

Kolkata - 700026

28th day of April, 2017

R. K. Gupta

Chief Financial Officer

Madhuri Pandey

Company Secretary

For and on behalf of the Board

Ajay Todi

Managing Director

DIN - 00004380

R. V. Kanoria

Non-Executive Chairman

DIN - 00003792

Cash Flow Statement for the year ended 31st March, 2017

(₹ in 000)

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before Tax	110,466		86,399	
Adjustments for :				
Depreciation & Amortisation	50,174		58,615	
Profit/Loss on sale of Fixed Assets (Net)	(1,217)		5	
Excess Depreciation written back	(110)		–	
Interest received from Bank & Others	(344)		(215)	
Finance Costs	28,349		31,368	
Bad Debts written off	6,922		–	
Provision for Investment	5		–	
Dividend received on Non Current Investments	(4)		(14)	
Foreign Exchange Fluctuations	506		(344)	
	194,747		175,814	
Operating Profit before Working Capital changes				
Adjustments for :				
(Increase)/ Decrease in Trade Receivables	6,292		(91,996)	
(Increase)/ Decrease in Inventories	28,032		(12,301)	
(Increase)/ Decrease in Loans and Advances	(18,943)		(25,509)	
Increase/ (Decrease) in Trade Payables & Other Liabilities	(31,133)		(142,023)	
Increase/ (Decrease) in Provision	(35,495)		4,179	
Cash generated from operations	143,500		(91,836)	
Direct Taxes Paid	(31,832)		(26,557)	
Net Cash from Operating Activities		111,668		(118,393)
CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Tangible & Intangible Assets including CWIP	(97,971)		(17,885)	
Sale of Tangible Assets	2,524		151	
(Increase)/Decrease in Fixed deposit in Bank	(4,939)		5,900	
Interest received from Bank	344		370	
Dividend received on Non Current Investments	4		14	
Net Cash used in Investing Activities		(100,038)		(11,450)

Cash Flow Statement for the year ended 31st March, 2017

(₹ in 000)

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from/(Repayments of) Borrowings	29,983		165,665	
Finance Costs	(28,158)		(30,839)	
Dividend Paid	(16,160)		(5,387)	
Corporate Dividend tax paid	(3,290)		(1,096)	
Net Cash used in Financing Activities		(17,625)		128,343
Net Increase in Cash and Cash Equivalents		(5,995)		(1,500)
Cash and Cash Equivalents (Opening Balance)		9,786		11,286
Cash and Cash Equivalents (Closing Balance)		3,791		9,786

Notes:

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

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No - 302049E

M. L. SHUKLA

Partner

Membership No. 051505

161, Sarat Bose Road

Kolkata - 700026

28th day of April, 2017

R. K. Gupta

Chief Financial Officer

Madhuri Pandey

Company Secretary

Ajay Todi

Managing Director

DIN - 00004380

R. V. Kanoria

Non-Executive Chairman

DIN - 00003792

For and on behalf of the Board

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes 1 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the Generally Accepted Accounting Principles in India, the applicable mandatory Accounting Standards as prescribed under section 133 of The Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

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

B. Use of Estimates

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

C. Tangible Fixed Assets & Capital work in Progress

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

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

D. Intangible Fixed Assets

Intangible assets are stated at cost on initial recognition after which the same are stated at cost less accumulated amortization and accumulated impairment loss, if any.

E. Depreciation and Amortisation

- a) Depreciation on Tangible Fixed Assets has been provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed in Schedule II to The Companies Act, 2013. Depreciation on revalued amount of fixed assets is adjusted by transferring the equivalent amount from Revaluation Reserve Account.
- b) Intangible assets are amortised over their estimated useful life.
- c) Depreciation for assets purchased/sold during the year is proportionately charged.
- d) All the assets costing ₹ 5 or less are fully depreciated in the year of acquisition.

F. Impairment

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

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

G. Investments

- a) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
The portion of long term investments expected to be realized within 12 months after reporting date are disclosed under current investments as per the requirement of Schedule III to The Companies Act, 2013.
- b) Long Term Investments are stated at Cost. Provision for diminution in value is made if the decline in value is other than temporary in the opinion of the management.
- c) Current Investments other than the portion of long term investments disclosed under current investments are stated at lower of cost or fair value.

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

H. Inventories

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

I. Foreign Currency Transactions

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

J. Recognition of Income and Expenditure

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

K. Borrowing Cost

General and specific Borrowing costs attributable to the acquisition, construction or installation of qualifying capital assets till the date of commencement of commercial use of the assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

L. Employee benefits

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

M. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the Provisions of the Income Tax Act, 1961. The Deferred Tax charge or credit is recognised using substantively enacted tax rates, subject to the consideration of prudence, on timing differences between book profits and tax profits. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realized.

N. Government Grants

Grants from Government are recognised on compliance of conditions and on reasonable assurance of the same

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

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

O. Provisions

Provisions are recognized where reliable estimate can be made for probable outflow of resources to settle the present obligation as a result of past event and the same is reviewed at each Balance Sheet date.

P. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

Q. Contingent Liabilities

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

		As at 31st March, 2017	As at 31st March, 2016
Notes	2.1	SHARE CAPITAL	
Authorised			
1,49,90,000 (PY - 1,49,90,000) Equity Shares of ₹ 10/- each		149,900	149,900
1,000 (PY - 1,000) Redeemable Preference Shares of ₹ 100/- each		100	100
		150,000	150,000
Issued			
1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹ 10/- each		107,731	107,731
Subscribed and Paid-up			
1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹ 10/- each fully paid-up		107,731	107,731
Add: Forfeited Equity Shares		246	246
(Amount originally paid-up)			
		107,977	107,977

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

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

- No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceeding the date at which Balance Sheet is prepared.
- No securities which are convertible into Equity/Preference shares have been issued by the Company during the year.
- No calls are unpaid by any Directors or officers of the Company during the year.

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

		As at 31st March, 2017	As at 31st March, 2016
Notes	2.2 RESERVES AND SURPLUS		
Capital Reserves			
	As per the last Financial Statements	1,054	1,054
Security Premium			
	As per the last Financial Statements	58,595	58,595
General Reserve			
	As per the last Financial Statements	32,483	29,663
	Add: Transferred from Surplus	—	2,820
		32,483	32,483
Surplus			
	As per the last Financial Statements	196,616	162,489
	Add/(Less): Profit/(Loss) for the year	73,730	56,397
		270,346	218,886
Less: Appropriations			
	Proposed Dividend	—	16,160
	Corporate Dividend Tax on Proposed Dividend	—	3,290
	General Reserve	—	2,820
		—	22,270
Net Surplus		270,346	196,616
		362,478	288,748

	Non-current portion		Current Maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Notes	2.3	LONG-TERM BORROWINGS		
Term Loans (Secured)				
		Rupee Loan from Bank	19,733	34,206
			13,880	17,738
			19,733	34,206
		Amount disclosed under the head "Other Current Liability" (Note 2.9)	—	—
			13,880	17,738
			19,733	34,206

- a) Rupee Term Loan from Bank is repayable in 10 semi-annual installment for ₹ 14,600/- between March 2012 to September 2016, for ₹ 15,000/- between September 2013 to March 2018 in 10 semi - annual installments and in 9 semi-annual installments for ₹ 40,541/- from April 2015 to April 2019, and 9 semi - annual installment for ₹ 14,821/- between January 2013 to January 2017. The primary security against such asset is hypothecation of machineries purchased under the Term Loan.
- b) For term loan of ₹ 84.64 lacs, is secured by hypothecation of machineries and 1st. pari passu charges on entire assets both present and future and repayable in 9 half yearly instalment of ₹ 9.40 lacs each started after 6 months of disbursement i.e 25.11.2015.

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

		As at 31st March, 2017		As at 31st March, 2016	
Notes	2.4	DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities					
Arising on account of :					
Depreciation					
			28,888		26,560
Less: Deferred Tax Assets					
Arising on account of :					
Section 43B of Income-Tax Act					
		17,700		15,666	
Others					
		344	18,044	4,766	20,432
			10,844		6,128

		As at 31st March, 2017		As at 31st March, 2016	
Notes	2.5	OTHER LONG TERM LIABILITIES			
Other Liabilities					
Trade and Security Deposits					
			1,582		1,582
			1,582		1,582

		Long Term		Short Term	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Notes	2.6	PROVISIONS			
Provision for Employee Benefits					
		15,488	14,619	21,239	57,602
Other Provisions					
Provisions for Taxation (Net of Payments)					
		3,016	—	4,446	7,250
Proposed Dividend					
		—	—	—	16,160
Corporate Dividend Tax					
		—	—	—	3,290
		3,016	—	4,446	26,700
		18,504	14,619	25,685	84,302

		As at 31st March, 2017	As at 31st March, 2016
Notes	2.7	SHORT TERM BORROWINGS	
Working Capital Borrowings			
From Banks			
Rupee Loan from Bank (Secured)			
		339,186	299,151
Export Packing Credit in Rupees (Secured)			
		56,154	51,734
		395,340	350,885

- Working Capital Borrowings in Rupee is secured against hypothecation of entire stocks and trade receivable together with bank's pari passu 1st charge on entire assets both present and future of the Company.
- Export Packing Credit in Rupee and EEFC deposit accounts in Foreign Currencies, are secured against hypothecation of Stock of materials, semi-finished, finished goods and Trade Receivable.

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

			As at 31st March, 2017	As at 31st March, 2016
Notes	2.8	TRADE PAYABLES		
		For Goods and Services	—	—
		For Micro, Small and Medium Enterprises	—	—
		For Others	189,245	221,489
			189,245	221,489

			As at 31st March, 2017	As at 31st March, 2016
Notes	2.9	OTHER CURRENT LIABILITIES		
		Current maturities of Long Term Debt (See Note 2.3)	13,880	17,738
		Employee related liabilities	85,131	79,125
		Unpaid and unclaimed dividends	5,711	5,261
		Statutory Dues	22,669	22,939
		Advances Received from Customers	1,816	2,177
		Interest Accrued & Due	720	529
		Others	—	406
			129,927	128,175

Notes	2.10	FIXED ASSETS									
		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost/Value as at 31st March, 2016	Additions during the Year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2017	Upto 31st March, 2016	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2017	As at 31st March 2017	As at 31st March 2016
TANGIBLE ASSETS											
		Freehold Land	4,934	—	—	4,934	—	—	—	4,934	4,934
		Buildings	164,695	6,365	—	171,060	137,345	1,337	—	138,682	32,378
		Plant & Machinery	825,475	83,825	1,712*	907,588	615,825	44,695	69	660,451	247,137
		Furniture & Fittings	5,516	824	—	6,340	4,033	303	—	4,336	2,004
		Vehicles	42,594	—	8,610*	33,984	31,417	3,042	7,025	27,434	6,550
		Office Equipment	15,347	4,041	—	19,388	12,620	797	—	13,417	5,971
		Total	1,058,561	95,055	10,322	1,143,294	801,240	50,174	7,094	844,320	298,974
INTANGIBLE ASSETS											
		Goodwill	(1)	—	—	(1)	—	—	—	(1)	(1)
		Total	(1)	—	—	(1)	—	—	—	(1)	(1)
		Grand Total :	1,058,561	95,055	10,322	1,143,294	801,240	50,174	7,094	844,320	298,974
		Previous Year :	1,046,457	12,827	723	1,058,561	743,193	58,615	568	801,240	257,321

Note : *a) The Company has received subsidies on Plant & Machinery amounting to ₹ 1712 and on Motor Vehicle ₹ 319, capitalised in earlier year/(s). Consequently depreciation charged in earlier year/(s) on such assets amounting to ₹ 110 has been written back.

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes		2.11 INVESTMENTS					
NON CURRENT INVESTMENTS				As at 31st March, 2017		As at 31st March, 2016	
Face Value per Share/Debtenture	Particulars	No. of Shares / Debtentures	Value	No. of Shares / Debtentures	Value		
₹							
A	Trade Investment (Valued at Cost)						
	Equity Shares in Subsidiary Company (Un-Quoted)						
	10 Ludlow Exports Ltd.	250000	2,500	250000	2,500		
	10 Sijberia Industries Ltd.	562859	8,887	562859	8,887		
	Sub - Total		11,387		11,387		
B	Non - Trade Investments						
	Investment in Equity Instruments :						
	Quoted - (Valued at cost)						
	10 Alliance Udyog Ltd. #	50	(512)	50	(512)		
	10 Birla Corporation Ltd.	660	148	660	148		
	10 Cheviot Company Ltd.	274	7	274	7		
	10 Delta International Ltd. * #	1035	20	1035	20		
	10 Howrah Mills Co. Ltd. *	50	(475)	50	(475)		
	10 The Jagatdal Ind. Ltd. #	50	(358)	50	(358)		
	100 Kanknarrah Co. Ltd.* #	19	1	19	1		
	10 Trend Vyapaar Limited (Formerly Kelvin Jute Co. Ltd.) #	1	(240)	1	(240)		
	10 Nellimarla Jute Mills Co. Ltd. #	70	(368)	70	(368)		
	10 New Central Jute Mills Co. Ltd. * #	12	(88)	12	(88)		
	10 Presidency Exports & Industries Ltd. #	10	(105)	10	(105)		
	1 Bajaj Hindusthan Sugar and Industries Ltd	5430	2	5430	2		
	10 Reliance Ispat Ltd. #	224	6	224	6		
	10 Solarson Ind. Ltd. #	200	2	200	2		
	10 The Agarpara Co. Ltd. * #	50	(175)	50	(175)		
	10 The Auckland International Ltd.	990	(750)	990	(750)		
	10 Abhishek Jute & Industries Limited	660	(500)	660	(500)		
	5 The Baranagar Jute Factory Co. Ltd.* #	5	(116)	5	(116)		
	10 Al Champdany Industries Ltd.	338	(806)	338	(806)		
	10 Fort William Industries Limited #	50	2	50	2		
	10 The Ganges Manufacturing Co. Ltd. * #	50	(375)	50	(375)		
	10 Gillanders Arbuthnot & Co Ltd	135	13	135	13		
	10 The Gouripore Co. Ltd. #	40	(150)	40	(150)		
	10 The Hooghly Mills Co. Ltd. #	1176	(742)	1176	(742)		
	10 The India Jute & Industries Ltd. * #	62	2	62	2		
	10 The Nuddea Mills Co. Ltd.* #	25	(50)	25	(50)		
	1 Waverly Investments Ltd. #	7	(30)	7	(30)		
	10 Willard India Ltd. #	1200	44	1200	44		
	10 Reliance Jute Mills (Int.) Ltd.@ #	112		112			
	Total of Quoted Equity Instruments		251		251		
	Less : Provision for other than temporary diminution in the value of investments		83		83		
	Net Total (Quoted investment)		168		168		
	Balance Carried over		11,555		11,555		

Notes to Financial Statements as at and for the year ended 31st March, 2017

₹ in 000)

Notes	2.12	LOANS & ADVANCES	Long Term		Short Term	
			As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
		Capital Advances				
		Unsecured, considered good	8,900	—	—	—
			8,900	—	—	—
		Security Deposits				
		Unsecured, considered good	9,332	2,226	—	—
			9,332	2,226	—	—
		Other Loans and Advances (Unsecured, considered good)				
		Advance Tax and TDS (Net of provisions)	2,126	2,103	—	—
		Income Tax Refundable	121	121	—	—
		Advance against supply of Goods and Services	—	—	8,519	11,388
		Prepaid Expenses	—	—	6,572	3,456
		Advance to Employees	—	—	22,386	23,201
		Receivable from Employees	—	—	801	429
		Balances with Government & Statutory Authorities	10,213	7,099	250	254
			12,460	9,323	38,528	38,728
			30,692	11,549	38,528	38,728

Notes	2.13	OTHER ASSETS	Non-Current		Current	
			As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
		Insurance Claim Receivable	14,320	14,320	—	—
		Less: Provision for Doubtful Claim Receivable	14,320	14,320	—	—
			—	—	—	—
		DEPB/FOCUS Licence Receivable	—	—	133	133
		Duty Draw Back Receivable	—	—	3,780	2,999
		Receivable from Jute Corporation of India (claim)	—	—	1,058	296
		Incentive Receivable under MEIS	—	—	21,088	19,550
			—	—	26,059	22,978

Notes	2.14	INVENTORIES	As at	As at
			31st March, 2017	31st March, 2016
		(As taken, valued and certified by the Management)		
		Raw Materials	256,448	308,229
		Work in Progress	26,786	34,469
		Finished Goods (including in transit CY -₹24,837, PY-₹41,430)	285,173	254,918
		Stores and Spares etc	24,187	23,010
			592,594	620,626

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

	Finished Goods		Work-in-Progress	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
DETAILS OF INVENTORIES				
Jute	285,173	254,918	26,786	34,469
	285,173	254,918	26,786	34,469

	Non-Current		Current	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Notes 2.15 TRADE RECEIVABLES				
Outstanding for a period exceeding six months				
Unsecured, considered good	—	—	12,934	9,783
Doubtful	—	—	—	—
	—	—	12,934	9,783
Provision for doubtful receivables	—	—	—	—
	—	—	12,934	9,783
Other Receivables				
Unsecured, considered good	—	—	224,282	242,179
	—	—	237,216	251,962

	As at 31st March, 2017	As at 31st March, 2016
Notes 2.16 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balances With Banks :		
In Current Account/Cash Credit Account	925	889
In EEFC Account	2,107	6,964
Cash in hand (Incl'd Stamps) (As certified by the Management)	760	1,933
	3,792	9,786
Other Bank Balances		
Balance in Unpaid Dividend Account	5,711	5,261
Balances with Bank held as margin money / security	4,938	—
	10,649	5,261
	14,441	15,047

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.17	REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (including Export Sales of CY ₹ 527,545, PY ₹ 459,303)			3,542,844	3,550,698
			3,542,844	3,550,698
Other Operating Revenues				
Export Benefits			46,982	36,146
Miscellaneous Sale			3,606	1,936
Insurance and Other Claims (Net)			938	—
			51,526	38,082
			3,594,370	3,588,780
Details of Sale of Products				
Jute Goods			3,542,844	3,550,698
			3,542,844	3,550,698

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.18	OTHER INCOME		
Interest Income				
On Banks Deposits			344	215
Dividend Income				
On Long term investments			4	13
Other Non Operating Income				
Profit on sale of Fixed Assets			1,217	—
Bad Debt Recovery			5,537	—
Excess liability written back			837	—
Adjustment relating to earlier year			2	50
Excess Depreciation written back			110	—
Net gain / (Loss) on foreign Currency transactions			4,566	3,777
			12,617	4,055

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.19	COST OF MATERIALS CONSUMED		
Raw Material Consumed				
Opening Inventories			308,229	314,921
Add : Purchase			1,989,112	2,123,127
			2,297,341	2,438,048
Less: Closing Inventories			256,447	308,229
			2,040,894	2,129,819
Details of Raw Material Consumed				
Jute			2,039,588	2,129,219
Others			1,306	600
			2,040,894	2,129,819

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes	2.20	(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the beginning of the year				
		Finished Goods	254,918	249,992
		Work-in-Progress	34,469	23,053
			289,387	273,045
Inventories at the end of the year				
		Finished Goods	285,173	254,918
		Work-in-Progress	26,786	34,469
			311,959	289,387
			(22,572)	(16,342)

Notes	2.21	EMPLOYEE BENEFITS EXPENSE	For the year ended 31st March, 2017	For the year ended 31st March, 2016
		Salaries & Wages	675,729	635,084
		Contribution to Provident Fund & Other Funds	96,776	91,512
		Contribution to Gratuity Fund	19,499	32,631
		Staff Welfare Expenses	11,139	9,523
			803,143	768,750

Notes	2.22	FINANCE COSTS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Expenses				
		On Term Loans from Banks	4,517	6,361
		" Working Capital Loans from Banks	17,328	16,193
		" Bill Discounting Charges / Retirement of Bills	3,413	3,818
		" Others	—	1,991
			25,258	28,363
Other Borrowing Cost				
		Other Financial Charges	3,091	3,004
			28,349	31,367

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.23	OTHER EXPENSES		
MANUFACTURING EXPENSES				
		Stores, Spare Parts & Packing Materials Consumed	135,062	122,461
		Power & Fuel	159,571	154,293
		Repairs to Buildings	9,853	4,818
		Repairs to Machinery	15,125	17,639
		Labour Charges (Manufacturing & Processing Exp.)	110,037	94,413
		Increase/(Decrease) in Cess on Finished Goods	6	262
			429,654	393,886
SELLING AND ADMINISTRATION EXPENSES				
		Brokerage & Commission on Sales	8,533	6,953
		Transport & Forwarding Expenses	50,871	36,252
		Rent	3,069	1,514
		Repairs to Other Assets	14,598	7,930
		Insurance	4,951	7,319
		Rates & Taxes	1,176	656
		Legal & Professional Expenses	4,596	4,904
		Travelling Expenses	4,531	2,349
		Provision for other than temporary diminution of Long Term Investment	5	—
		Corporate Social Responsibility Expenses (See note No.2.43.)	831	—
		Miscellaneous Expenses	30,388	29,115
		Loss on sale of Fixed Assets(Net)	—	5
		Bad Debts written off	6,922	7,370
		Auditors' Remuneration -		
		Statutory Auditors -		
		Audit Fees	696	401
		Limited Review	173	114
		Issue of Certificates	117	57
		Cost Auditors -		
		Audit Fees	25	25
		Directors' Fees	832	479
			132,314	105,443
			561,968	499,329

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.24	DEPRECIATION AND AMORTISATION EXPENSE		
		On Tangible Assets	50,174	58,615
			50,174	58,615

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.25	EXCEPTIONAL ITEMS		
		Liability no longer required written back	—	—
			—	—

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.26	TAX EXPENSE		
		Current Tax for the year	32,020	29,629
		Deferred Tax for the year	4,716	373
		Current Tax	36,736	30,002

			As at 31st March, 2017	As at 31st March, 2016
Notes	2.27	CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :		
		a) Bills Discounted with Banks	24,640	59,568
		b) i) Disputed demand against WBST Act 1994 (₹ 2,220 P.Y. ₹ 2,220) and CST Act 1956 (₹ 154 P.Y. ₹316) for the year 1999-00 and 2004 -05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv. Paid ₹ 1,120, PY. Rs. ₹ 1,120)	2,374	2,536
		ii) Disputed demand against WB VAT ACT 2003 (₹ 8,197 P.Y. ₹18,523). CST Act 1956 (₹ 82,874 P.Y. ₹ 121,435) & WB Entry Tax Act (₹ 112 P.Y. ₹ 112) for the year 2005-06 to 2013-2014 for which Appeal is pending before WBCT (A&R) Board. (Adv. Paid ₹ Nil, PY. ₹ 3,715)	91,183	139,958
		c) Land Revenue (Rent) raised by the office of the Block & Land Revenue (B. L. & L. R.) Officer Uluberia- II, Howrah due to retrospective changes in W. B. Land Reform Act. Matter is pending before W. B. Land Reform Tribunal from 2001-02 to 2016-17.	15,008	13,854
		d) a) Outstanding Bank Guarantees	37,797	37,118
		b) Outstanding Letter of Credit	85,216	4,930

Notes	2.28			
		Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to ₹ 8,977 Previous Year ₹ Nil)	9,713	—

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes 2.29

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

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

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
i) Employees Provident Fund	2,213	2,094
ii) Employees Pension Scheme	48,729	46,722

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, 2017 are as follows:

	Gratuity	
	2016-17	2015-16
Present Value of funded obligations	387,412	364,646
Fair value of Plan Assets	367,897	309,130
Liabilities in respect of funded obligation based on actuarial valuation basis	19,515	55,516

The amounts recognized in the statement of Profit and Loss for the year ended 31st March, 2017 are as follow:

	2016-17	2015-16
Current service cost	25,511	30,276
Interest cost on obligation	28,422	25,081
Expected Return on plan assets(-)	24,713	23,750
Expected Return on any reimbursement right recognized as an asset	—	—
Net actuarial losses/(gains) recognized during the year	(-)9,721	1,024
Past service cost	—	—
Losses/(gains) on curtailments and settlements	—	—
Total included in 'Employee Benefit Expenses'	19,499	32,631

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

	2016-17	2015-16
Present value of defined benefit obligation at the beginning of the year	364,646	333,698
Employer Service Cost (+)	25,511	30,275
Interest Cost (+)	28,422	25,081
Curtailment Cost (+)	—	—
Settlement Cost (+)	—	—
Plan Amendments	—	—
Acquisitions	—	—
Actuarial Gains (-)/ Loss (+)	(-) 251	(+) 4,336
Benefit Paid (-)	(-)30,916	(-)28,744
Present value of Defined Benefit obligations at the end of the year	387,412	364,646

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

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

Change in Assets	2016-17	2015-16
Fair value of Plan Assets at the beginning of the year	309,130	278,812
Acquisition adjustments		
Expected return on Plan Assets (+)	24,713	23,750
Actual Company Contribution (+)	55,500	32,000
Benefit Payments (-)	(30,916)	(28,743)
Appreciation / Depreciation of Plan Assets Actuarial Gain(+)/Loss(-)	9,471	3,311
Fair Value of Plan Assets at the end of the year	367,897	309,130

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

	2016-17	2015-16
Qualifying insurance policy	100%	100%

vi) Principal actuarial assumptions at the Balance Sheet date are as follows :

	2016-17	2015-16
1 Mortality	IALM (2006-2008), ultimate table	IALM (2006-2008), ultimate table
2 Morbidity	No Explicit Allowance	No Explicit Allowance
3 Withdrawal	2% to 1%, depending on the age and length of service	2% to 1%, depending on the age and length of service
4 Discount Rate	7.8% p.a. being consistent with the yield on Long Term Govt. Bond	7.8% p.a. being consistent with the yield on Long Term Govt. Bond
5 Salary Increase	7% p.a. for 1st 2 yrs., 6% for next 2 yrs. & 5.5% thereafter	7% p.a. for 1st 2 yrs., 6% for next 2 yrs. & 5.5% thereafter
6 Normal Age of Retirement	58 Years	58 Years

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

viii) In respect of provident funds for eligible employees maintained by a trust, in the nature of defined benefits plan, upto date shortfall, if any, as per actuarial valuation, in respect of contribution towards such fund is yet to be identified. However, contribution to those provident fund amounting to ₹ 11,296 (previous year ₹ 10,627) is recognized as expense and included in "Employees Benefit Expenses".

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

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

Notes 2.32

a) Outstanding forward exchange contracts booked for the purpose of hedging Receivables/firm commitment are USD 133, EURO 41 & Sterling Pound 19 (Previous year USD 535, EURO 9 and Sterling Pound 155) and payable /firm commitments are USD NIL (PY USD NIL).

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

- b) Unhedged foreign currency receivables USD 55, EURO 24 and Sterling Pound 35 (Previous Year USD Nil, EURO Nil and Sterling Pound NIL) and payables are USD NIL (Previous Year USD NIL).
- c) The marked to market loss amounting to ₹. NIL (Previous Year – ₹ Nil) has been accounted for. However, marked to market gain amounting to ₹ 151 (Previous Year – ₹ 420) on Forward Exchange Contracts for firm commitments and highly probable forecast transaction has not been accounted for.

Notes 2.33

The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium enterprises development Act, 2006 for claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to such parties during the year is ₹ Nil. (Previous Year ₹ Nil).

Notes 2.34

As Company's business activities fall within a single primary business segment viz. Jute Goods, the disclosure requirements of Accounting Standard – AS-17' Segment Reporting issued by The Institute of Chartered Accountants of India are not applicable in respect of business segment. However, the geographical segments considered for disclosures on the basis of sales are as under: -

	2016-17 (₹)	2015-16 (₹)
Within India	3,015,299	3,091,395
Outside India	527,545	459,303
Total	3,542,844	3,550,698

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

	Raw Materials				Spare Parts			
	For the year ended 31st March, 2017		For the year ended 31st March, 2016		For the year ended 31st March, 2017		For the year ended 31st March, 2016	
	Total (₹)	(In %)	Total (₹)	(In %)	Total (₹)	(In %)	Total (₹)	(In %)
Imported	701,576	34.38	231,997	10.89	2,496	4.83	942	1.83
Indigenous	1,339,318	65.62	1,897,822	89.11	49,216	95.17	50,520	98.17
	2,040,894	100.00	2,129,819	100.00	51,712	100.00	51,462	100.00

Notes 2.36

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

Notes 2.37

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

	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Notes 2.38 EXPENDITURE IN FOREIGN CURRENCIES (PAID / PROVIDED)		
Travelling	3,744	1,047
Commission	3,015	602

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes	2.39	C.I.F. VALUE OF IMPORTS	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
		Raw Materials	645,803	189,566
		Component & Spare Parts	3,203	1,030
		Sundry Remittances	2,529	—
		Capital Goods	22,251	8,087

Notes	2.40	EARNINGS IN FOREIGN CURRENCY:	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
		F.O.B. Value of Exports	511,494	453,140

Notes 2.41 RELATED PARTY DISCLOSURES

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

A. Relationships

- 1) Holding Company of the Company
 - a) R.V. Investments & Dealers Ltd.
- 2) Subsidiary Company of the Company
 - a) Ludlow Exports Ltd.
 - b) Sijberia Industries Ltd.
- 3) Enterprise (within Group) :
 - a) Kirtivardhan Finvest Services Ltd.
 - b) Belvedere Gardens Limited
- 4) Key Managerial Personnel (KMP)
 - a) Mr. R. V. Kanoria (Non Executive Chairman w.e.f. 6th November 2014)
 - b) Mr. Ajay Todi (Managing Director from 1st July 2014)
 - c) Mrs. Puja Guin (Company Secretary & Compliance Officer till 15th May 2015)
 - d) Ms. Minu Rohila (Company Secretary & Compliance Officer till 17th September 2016)
 - e) Mr. R. K. Gupta (Chief Financial Officer)
 - f) Ms. Madhuri Pandey (Company Secretary & Compliance Officer w.e.f. 1st March 2017)

B. During the year the following transactions were carried out with the Related Parties in the ordinary course of business :-

Particulars	Holding Co. & Enterprise having significant influence		Key Managerial Personnel		Subsidiary	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Loan Repaid	—	30,000	—	—	—	—
Interest Paid	—	1,680	—	—	—	—
Remuneration paid to Managing Director	—	—	9,642	6,363	—	—
Salary Paid to other than Managing Director	—	—	1,598	1,560	—	—
Rent and maintenance charges paid	4,889	812	—	—	—	—
Security Deposit given	—	389	—	—	—	—
Deposit Received	—	100	—	—	—	—
Deposit refunded	—	100	—	—	—	—
Balance outstanding at year end :						
Closing Balance of Security Deposit given	389	389	—	—	—	—

Notes to Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes	2.42	Disclosure relating to details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016
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Particulars	SBN	Other Denominations Notes	Total
Closing cash in hand as on 08/11/2016	2,963	200	3,163
(+) Withdrawal from bank account	0	1,104	1,104
(+) Permitted Receipts	0	1,402	1,402
(-) Permitted Payments	0	1,640	1,640
(-) Amount deposited in Banks	2,963	0	2,963
Closing cash in hand as on 30/12/2016		1,066	1,066

Notes	2.43	In accordance with Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities, the requisite disclosure are as follows:
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- (a) Gross amount required to be spent by the Company during the year : ₹ 370
(b) Amount spent during the year on :

	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	240	—	240
(ii) On purposes other than (i) above	591	—	591

- (c) Details of Related Party transactions as per Accounting Standard 18 in relation to CSR expenditure : Nil
(d) Provision made in relation to CSR expenditure, if any: Nil

Notes	2.44	The Board of Directors of the Company has recommended to pay a final dividend @ 25% (₹ 2.50 per share on Face Value of ₹ 10/-) subject to the approval of shareholders in the Annual General Meeting.
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Notes	2.45	Figures of less than Rupee 1 have been shown at actuals in brackets in Notes to Account No 2.10 and 2.11. Other than these all other figures in bracket are in negatives.
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Notes	2.46	Figures of the Previous Year have been regrouped / rearranged wherever considered necessary.
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As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No - 302049E

M. L. SHUKLA

Partner

Membership No. 051505

161, Sarat Bose Road

Kolkata - 700026

28th day of April, 2017

For and on behalf of the Board

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

Consolidated Financial Statemetns

Independent Auditors' Report

To The Members of LUDLOW JUTE & SPECIALITIES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **LUDLOW JUTE & SPECIALITIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit & Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their cash flows for the year ended on that date.

OTHER MATTERS

We did not audit the financial statements of both the subsidiaries, whose financial statements reflect total assets of

Independent Auditors' Report

₹247.72 lakhs as at 31st March, 2017, total revenues of ₹ 14.86 lakhs and net cash flows amounting to ₹ 4.72 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, to the extent applicable, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the Directors of the Group Companies is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 2.27 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies;
 - iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 2.43 to the consolidated financial statements.

161, Sarat Bose Road
Kolkata - 700 026
Date : 28th day of April, 2017

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

Annexure 'A' to the Independent Auditors' Report

The Annexure referred to in paragraph 1 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of Section 143 of the Act of Ludlow Jute & Specialities Limited for the year ended 31 March 2017, we report that:

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of the Holding Company. Based on the comments made by the Independent Auditors of the Subsidiaries with respect to the internal financial controls over financial reporting as required in terms of sub-section (3) (i) of Section 143 of the Act, we report as under:

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure 'A' to the Independent Auditors' Report

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to both of the subsidiary companies is based on the corresponding reports of the auditors of such Companies incorporated in India.

161, Sarat Bose Road
Kolkata - 700 026
Date : 28th day of April, 2017

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

Consolidated Balance Sheet as at 31st March, 2017

(₹ in 000)

	Note No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	107,977	107,977
Reserves and Surplus	2.2	366,157	292,183
		474,134	400,160
Minority Interest	2.3	9,509	9,402
NON-CURRENT LIABILITIES			
Long-Term Borrowings	2.4	19,733	34,206
Deferred Tax Liabilities (Net)	2.5	10,844	6,128
Other Long-Term Liabilities	2.6	1,583	1,583
Long-Term Provisions	2.7	18,503	14,619
		50,663	56,536
CURRENT LIABILITIES			
Short-Term Borrowings	2.8	395,340	350,885
Trade Payables			
For MSME	2.9	—	—
for Others	2.9	189,256	221,500
Other Current Liabilities	2.10	129,937	128,182
Short-Term Provisions	2.7	25,861	84,632
		740,394	785,199
TOTAL		1,274,700	1,251,297
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	2.11	303,432	261,902
Intangible Assets	2.11	(1)	(1)
Capital Work-In-Progress		11,255	8,340
		314,687	270,242
Non-Current Investments		168	173
Long-Term Loans and Advances	2.12	30,693	11,549
Other Non-Current Assets	2.16	—	—
		345,548	281,964
CURRENT ASSETS			
Inventories	2.13	592,595	620,626
Trade Receivables	2.14	237,216	251,962
Cash and Bank Balances	2.15	34,502	34,637
Short-Term Loans and Advances	2.12	38,754	39,105
Other Current Assets	2.16	26,085	23,003
		929,152	969,333
TOTAL		1,274,700	1,251,297
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements
As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No - 302049E

M. L. SHUKLA

Partner

Membership No . 051505

161, Sarat Bose Road

Kolkata - 700026

28th day of April, 2017

R. K. Gupta
Chief Financial Officer

Madhuri Pandey
Company Secretary

Ajay Todi
Managing Director
DIN - 00004380

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

For and on behalf of the Board

Consolidated Statement of Profit & Loss for the year ended 31st March, 2017

(₹ in 000)

	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
INCOME			
Revenue from Operations (Gross)	2.17	3,594,370	3,588,780
Less: Jute Manufacturing Cess		34,565	34,898
Revenue from Operations (Net)		3,559,805	3,553,882
Other Income	2.18	14,103	5,647
Total Revenue		3,573,908	3,559,529
EXPENSES			
Cost of Materials Consumed	2.19	2,040,894	2,129,819
(Increase) / Decrease in Inventories of Finished Goods and Work-in-Progress	2.20	(22,572)	(16,342)
Employee Benefits Expense	2.21	803,516	769,964
Finance Costs	2.22	28,349	31,367
Other Expenses	2.23	562,420	498,899
		3,412,607	3,413,707
Profit before Tax, Depreciation and Amortisation		161,301	145,822
Depreciation and Amortization Expense	2.24	50,297	58,751
Profit/(Loss) before Tax and Exceptional Items		111,004	87,071
(Add)/Less : Exceptional Items	2.25	—	—
Profit before Tax		111,004	87,071
Tax Expense:	2.26		
Current Tax		32,196	29,852
Deferred Tax		4,716	369
Income Tax Provision for Earlier Years Written Back		—	(109)
Profit(Loss) for the year before share of Minority Interest		74,092	56,959
Minority Interest		107	189
Profit/(Loss) for the year		73,985	56,770
Earnings Per Share [Face value ₹ 10 /-]			
Weighted Average Number of Ordinary Shares outstanding during the year (in number)		10,773,120	10,773,120
Basic and Diluted earning per share (in ₹)		6.87	5.27
Significant Accounting Policies	1		

The Accompanying Notes are an integral part of the Financial Statements
As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No - 302049E

M. L. SHUKLA

Partner

Membership No . 051505

161, Sarat Bose Road

Kolkata - 700026

28th day of April, 2017

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For and on behalf of the Board

Ajay Todi

Managing Director

DIN - 00004380

R. V. Kanoria

Non-Executive Chairman

DIN - 00003792

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(₹ in 000)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit after Exceptional Items & before Tax	111,007	87,071
Adjustments for :		
Depreciation & Amortisation	50,297	58,751
(Profit)/Loss on sale of Fixed Assets (Net)	(1,217)	5
Excess Depreciation written back	(110)	-
Interest received from Banks & Others	(1,830)	(1,807)
Finance Costs	28,349	31,368
Bad Debts written off	6,922	-
Provision for Investment	5	-
Dividend received on Non Current Investments	(4)	(14)
Foreign Exchange Fluctuations	506	(344)
	193,925	175,030
Operating Profit before Working Capital changes		
Adjustments for :		
(Increase)/ Decrease in Trade Receivables	6,141	(92,226)
(Increase)/ Decrease in Inventories	28,031	(12,301)
(Increase)/ Decrease in Loans and Advances	(18,793)	(25,437)
Increase/ (Decrease) in Trade Payables & Other Liabilities	(31,126)	(142,023)
Increase/ (Decrease) in Provision	(35,496)	4,179
Cash generated from operations	142,682	(92,778)
Direct Taxes Paid	(32,011)	(26,305)
Net Cash from Operating Activities	110,671	(119,083)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Tangible & Intangible Assets including CWIP	(97,985)	(17,884)
Sale of Tangible Assets	2,524	150
(Increase)/Decrease in Fixed deposit in Bank	(5,130)	4,499
Interest received from Bank	1,826	1,779
Dividend received on Non Current Investments	4	14
Net Cash used in Investing Activities	(98,761)	(11,442)

Consolidated Cash Flow Statement for the year ended 31st March, 2017

(₹ in 000)

	For the year ended 31st March, 2017		For the year ended 31st March, 2016	
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from/(Repayments of) Borrowings	29,983		165,665	
Finance Costs	(28,158)		(30,839)	
Dividend Paid	(16,160)		(5,387)	
Corporate Dividend tax paid	(3,290)		(1,096)	
Net Cash used in Financing Activities		(17,625)		128,343
Net Increase in Cash and Cash Equivalents		(5,715)		(2,182)
Cash and Cash Equivalents (Opening Balance)		10,008		12,190
Cash and Cash Equivalents (Closing Balance)		4,293		10,008

Notes:

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

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No - 302049E

M. L. SHUKLA

Partner

Membership No . 051505

161, Sarat Bose Road

Kolkata - 700026

28th day of April, 2017

For and on behalf of the Board

R. K. Gupta

Chief Financial Officer

Madhuri Pandey

Company Secretary

Ajay Todi

Managing Director
DIN - 00004380

R. V. Kanoria

Non-Executive Chairman
DIN - 00003792

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes 1 SIGNIFICANT ACCOUNTING POLICIES

A. Principles of Consolidation

The Consolidation of Financial Statements (CFS) relate to Ludlow Jute & Specialities Limited and its Subsidiaries. The CFS have been prepared in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under Section 133 of The Companies Act, 2013 with Rule 7 of the Companies (Accounts) Rules, 2014.

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

The Subsidiary Companies considered in the Consolidated Financial Statements are :

Sl.No.	Name of the Company	Country of Incorporation	% of Holding
1.	Ludlow Exports Limited	India	100.00
2.	Sijberia Industries Limited	India	53.91

B. Basis of Accounting

The Financial Statements are prepared under the historical cost convention, on an accrual basis and in accordance with the Generally Accepted Accounting Principles in India, the applicable mandatory Accounting Standards as prescribed u/s 133 of The Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

C. Use of Estimates

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

D. Tangible Fixed Assets & Capital work in Progress

Fixed Assets other than those which have been revalued, are stated at their original cost which includes expenditure incurred in the acquisition and construction/installation and other related expenses. In respect of qualifying assets,

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

related pre-operational expenses including borrowing cost are also capitalised and included in the cost. Revalued assets are stated at the values determined on revaluation.

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

E. Intangible Fixed Assets

Intangible assets are stated at cost on initial recognition after which the same are stated at cost less accumulated amortization and accumulated impairment loss, if any.

F. Depreciation and Amortisation

- a) Depreciation on Tangible Fixed Assets has been provided on straight-line method at the rate determined based on the useful lives of respective assets as prescribed in Schedule II to The Companies Act, 2013. Depreciation on revalued amount of fixed assets is adjusted by transferring the equivalent amount from Revaluation Reserve Account.
- b) Intangible assets are amortised over their estimated useful life.
- c) Depreciation for assets purchased/sold during the year is proportionately charged.
- d) All the assets costing ₹ 5 or less are fully depreciated in the year of acquisition.

G. Impairment

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

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

H. Investments

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

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

- b) Long Term Investments are stated at Cost. Provision for diminution in value is made if the decline in value is other than temporary in the opinion of the management.
- c) Current Investments other than the portion of long term business investments disclosed under current investments are stated at lower of cost or fair value.

I. Inventories

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

J. Foreign Currency Transactions

- i) Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Year end balance of foreign currency transactions is translated at the year end rates. Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

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

K. Recognition of Income and Expenditure

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

L. Borrowing Cost

General and specific Borrowing costs attributable to the acquisition, construction or installation of qualifying capital assets till the date of commencement of commercial use of the assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

M. Employee benefits

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

N. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year in accordance with the Provisions of the Income Tax Act, 1961. The Deferred Tax charge or credit is recognised using substantively enacted tax rates, subject to the consideration of prudence, on timing differences between book profits and tax profits. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realized.

O. Government Grants

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

P. Provisions

Provisions are recognized where reliable estimate can be made for probable outflow of resources to settle the present obligation as a result of past event and the same is reviewed at each Balance Sheet date.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Q. Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the Company's Board of Directors.

R. Contingent Liabilities

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

			As at 31st March, 2017	As at 31st March, 2016
Notes	2.1	SHARE CAPITAL		
Authorised				
		1,49,90,000 (PY - 1,49,90,000) Equity Shares of ₹ 10/- each	149,900	149,900
		1,000 (PY - 1,000) Redeemable Preference Shares of ₹ 100/- each	100	100
			150,000	150,000
Issued				
		1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹10/- each	107,731	107,731
Subscribed and Paid-up				
		1,07,73,120 (PY - 1,07,73,120) Equity Shares of ₹ 10/- each fully paid-up	107,731	107,731
		Add: Forfeited Equity Shares	246	246
		(Amount originally paid-up)		
			107,977	107,977

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

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

- No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/ disinvestment as at the Balance Sheet date.
- The Company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which balance sheet is prepared.
- No securities which are convertible into Equity/Preference shares have issued by the Company during the year.
- No calls are unpaid by any Directors or officers of the Company during the year.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

	As at 31st March, 2017	As at 31st March, 2016
Notes 2.2 RESERVES AND SURPLUS		
Capital Reserves		
As per the last Financial Statements	1,054	1,054
Capital Reserve on Consolidation	376	376
	1,430	1,430
Capital Redemption Reserve		
As per the last Financial Statements	836	836
Security Premium		
As per the last Financial Statements	58,595	58,595
General Reserve		
As per the last Financial Statements	32,484	29,664
Add: Transferred from Surplus	—	2,820
	32,484	32,484
Surplus		
As per the last Financial Statements	198,838	164,338
Add: Profit for the year	73,985	56,770
Add: Taxation for earlier years	(11)	—
	272,812	221,108
Less: Appropriations		
Proposed Dividend	—	16,160
Corporate Dividend Tax on Proposed Dividend	—	3,290
General Reserve	—	2,820
	—	22,270
Net Surplus	272,812	198,838
	366,157	292,183

	As at 31st March, 2017	As at 31st March, 2016
Notes 2.3 MINORITY INTEREST		
In Equity		
Sijberia Industries Limited	4,812	4,812
4,81,864 (PY. 4,81,864) Equity Shares of ₹10/- each held by minority having 46.1% (PY. 46.1%) interest		
In Non Equity		
Sijberia Industries Limited	4,590	4,590
Add : Current Year's Profit	107	—
	9,509	9,402

	Non-current portion		Current Maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Notes 2.4 LONG-TERM BORROWINGS				
Term Loans (Secured)				
Rupee Loan from Bank	19,733	34,206	13,880	17,738
	19,733	34,206	13,880	17,738
Amount disclosed under the head "Other Current Liability" (Note 2.10)	—	—	(13,880)	(17,738)
	19,733	34,206	—	—

- a) Rupee Term Loan from Bank is repayable in 10 semi-annual installment for ₹14,600/- between March 2012 to September 2016, for ₹15,000/- between September 2013 to March 2018 in 10 semi - annual installments and in 9

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

semi-annual installments for ₹40,541/- from April 2015 to April 2019, and 9 semi - annual installment for ₹14,821/- between January 2013 to January 2017. The primary security against such asset is hypothecation of machineries purchased under the Term Loan.

- b) For term loan of ₹84.64 lacs, is secured by hypothecation of machineries and 1st. pari passu charges on entire assets both present and future and repayable in 9 half yearly instalment of ₹ 9.40 lacs each started after 6 months of disbursement i.e 25.11.2015.

		As at 31st March, 2017		As at 31st March, 2016	
Notes	2.5	DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liabilities					
Arising on account of :					
Depreciation					
			28,888		26,560
Less: Deferred Tax Assets					
Arising on account of :					
Section 43B of Income-tax Act, 1961					
		17,700		15,666	
Others					
		344	18,044	4,766	20,432
Deferred Tax Liabilities (Net)			10,844		6,128

		As at 31st March, 2017		As at 31st March, 2016	
Notes	2.6	OTHER LONG TERM LIABILITIES			
Other Liabilities					
Trade and Security Deposits					
			1,583		1,583
			1,583		1,583

		Long Term		Short Term	
		As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Notes	2.7	PROVISIONS			
Provision for Employee Benefits					
		15,487	14,619	21,238	57,602
Other Provisions					
Provisions for Taxation (Net of Payments)					
		3,016	—	4,623	7,580
Proposed Dividend					
		—	—	—	16,160
Corporate Dividend Tax					
		—	—	—	3,290
		3,016	—	4,623	27,030
		18,503	14,619	25,861	84,632

		As at 31st March, 2017	As at 31st March, 2016
Notes	2.8	SHORT TERM BORROWINGS	
Working Capital Borrowings			
From Banks			
Rupee Loan from Bank (Secured)			
		339,186	299,151
Export Packing Credit in Rupees (Secured)			
		56,154	51,734
		395,340	350,885

- a) Working Capital Borrowings in Rupee are secured against hypothecation of entire stocks and trade receivable together with bank paripassu 1st charge on entire assets both present and future of the Company.
- b) Export Packing Credit in Rupees and EEFC deposit accounts in Foreign Currency, are secured against hypothecation of Stock of materials, semi-finished and finished goods and trade receivable.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

			As at 31st March, 2017	As at 31st March, 2016
Notes	2.9	TRADE PAYABLES		
For Goods and Services				
For Micro, Small and Medium Enterprises			—	—
For Others			189,256	221,500
			189,256	221,500

			As at 31st March, 2017	As at 31st March, 2016
Notes	2.10	OTHER CURRENT LIABILITIES		
Current maturities of Long Term Debt (See Note 2.4)			13,880	17,738
Employee Related Liability			85,130	79,125
Unpaid and unclaimed dividends			5,711	5,261
Statutory Dues			22,670	22,939
Interest Accrued & Due			720	529
Advances Received from Customers			1,816	2,177
Others			10	413
			129,937	128,182

Notes 2.11 FIXED ASSETS										
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/Value as at 31st March, 2016	Additions during the Year	Deductions/ Adjustments during the year	Cost/Value as at 31st March, 2017	Upto 31st March, 2016	Provided during the year	Deductions/ Adjustments during the year	Upto 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
TANGIBLE ASSETS										
Freehold Land	7,870	—	—	7,870	—	—	—	—	7,870	7,870
Buildings	166,651	6,365	—	173,016	137,656	1,460	—	139,116	33,900	28,995
Plant & Machinery	825,475	83,825	1,712*	907,588	615,824	44,695	69	660,450	247,138	209,651
Furniture & Fittings	5,516	824	—	6,340	4,033	303	—	4,336	2,004	1,483
Vehicles	42,594	—	8,610*	33,984	31,417	3,042	7,025	27,434	6,550	11,177
Office Equipment	15,380	4,041	—	19,421	12,654	797	—	13,451	5,970	2,726
Total	1,063,486	95,055	10,322	1,148,219	801,584	50,297	7,094	844,787	303,432	261,902
INTANGIBLE ASSETS										
Goodwill	(1)	—	—	(1)	—	—	—	—	(1)	(1)
Total	(1)	—	—	(1)	—	—	—	—	(1)	(1)
Grand Total :	1,063,486	95,055	10,322	1,148,219	801,584	50,297	7,094	844,787	303,432	261,902
Previous Year :	1,051,382	12,827	723	1,063,486	743,402	58,751	569	801,584	261,902	

Note:*a) The Company has received subsidies on Plant & Machinery amounting to ₹ 1712 and on Motor Vehicle ₹ 319, capitalised in earlier year/(s). Consequently depreciation charged in earlier year/(s) on such assets amounting to ₹ 110 has been written back.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes	2.12	LOANS & ADVANCES	Long Term		Short Term	
			As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
		Capital Advances				
		Unsecured, considered good	8,900	—	—	—
			8,900	—	—	—
		Security Deposits				
		Unsecured, considered good	9,332	2,226	—	—
			9,332	2,226	—	—
		Other Loans and Advances (Unsecured, considered good)				
		Advance Tax and TDS (Net of provisions)	2,126	2,103	200	349
		Income Tax Refundable	121	121	—	—
		Accrued Interest on Fixed Deposit	—	—	27	28
		Advance against supply of Goods and Services	—	—	8,519	11,388
		Prepaid Expenses	—	—	6,572	3,456
		Advance to Employees	—	—	22,386	23,201
		Receivable from Employees	—	—	800	429
		Balances with Government & Statutory Authorities	10,214	7,099	250	254
			12,461	9,323	38,754	39,105
			30,693	11,549	38,754	39,105

Notes	2.13	INVENTORIES	As at 31st March, 2017	As at 31st March, 2016
		(As taken, valued and certified by the Management)		
		Raw Materials	256,448	308,229
		Work in Progress	26,786	34,469
		Finished Goods (including in transit CY -₹24,837, PY-₹41,430)	285,173	254,918
		Stores and Spares etc.	24,188	23,010
			592,595	620,626

DETAILS OF INVENTORIES	Finished Goods		Work-in-Progress	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Jute	285,173	254,918	26,786	34,469
	285,173	254,918	26,786	34,469

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes	2.14	TRADE RECEIVABLES	Non-Current		Current	
			As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
		Outstanding for a period exceeding six months				
		Unsecured, considered good	—	—	12,934	9,783
		Doubtful	—	—	—	—
			—	—	12,934	9,783
		Provision for doubtful receivables	—	—	—	—
			—	—	12,934	9,783
		Other Receivables				
		Unsecured, considered good	—	—	224,282	242,179
			—	—	237,216	251,962

Notes	2.15	CASH AND BANK BALANCES	As at	As at
			31st March, 2017	31st March, 2016
		Cash and Cash Equivalents		
		Balances With Banks :		
		In Current Account/Cash Credit Account	1,420	1,105
		In EEFC Account	2,107	6,964
		Cash in hand (Incl Stamps) (As certified by the Management)	766	1,939
			4,293	10,008
		Other Bank Balances		
		Balance in Unpaid Dividend Account	5,711	5,261
		Fixed Deposit - Allahabad Bank	—	9,500
		Fixed Deposits (Due within 12 months)	19,560	9,868
		Balances with Bank held as margin money / security	4,938	—
			30,209	24,629
			34,502	34,637

Notes	2.16	OTHER ASSETS	Non-Current		Current	
			As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
		Insurance Claim Receivable	14,320	14,320	—	—
		Less : Provision for Doubtful claim Receivable	14,320	14,320	—	—
			—	—	—	—
		Interest Receivable	—	—	22	22
		DEPB/FOCUS Licence Receivable	—	—	133	133
		Duty Draw Back Receivable	—	—	3,780	2,999
		Receivable from Jute Corporation of India (Claim)	—	—	1,059	296
		Incentive Receivable under MEIS	—	—	21,088	19,550
		Others	—	—	3	3
			—	—	26,085	23,003

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

₹ in 000)

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.17	REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (including Export Sales of CY ₹527,545, PY ₹ 459,303)			3,542,844	3,550,698
			3,542,844	3,550,698
Other Operating Revenues				
Export Benefits			46,982	36,146
Miscellaneous Sale			3,606	1,936
Insurance and Other Claims (Net)			938	—
			51,526	38,082
			3,594,370	3,588,780
Details of Sale of Products				
Jute Goods			3,542,844	3,550,698
			3,542,844	3,550,698

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.18	OTHER INCOME		
Interest Income				
On Banks Deposits			1,830	1,766
Others			—	41
Dividend Income				
On Long term investments			4	13
Other Non Operating Income				
Profit on sale of Fixed Assets			1,217	—
Bad Debts Recovery			5,537	—
Excess liability written back			837	—
Excess Depreciation written back			110	—
Net gain / (loss) on Foreign Currency transactions			4,566	3,777
Adjustment relating to earlier year			2	50
			14,103	5,647

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.19	COST OF MATERIALS CONSUMED		
Raw Material Consumed				
Opening Inventories			308,229	314,921
Add : Purchase			1,989,112	2,123,127
			2,297,341	2,438,048
Less : Closing Inventories			256,447	308,229
			2,040,894	2,129,819
Details of Raw Material Consumed				
Jute			2,039,588	2,129,219
Others			1,306	600
			2,040,894	2,129,819

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes	2.20	(INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the beginning of the year				
		Finished Goods	254,918	249,992
		Work-in-Progress	34,469	23,053
			289,387	273,045
Inventories at the end of the year				
		Finished Goods	285,173	254,918
		Work-in-Progress	26,786	34,469
			311,959	289,387
			(22,572)	(16,342)

Notes	2.21	EMPLOYEE BENEFITS EXPENSE	For the year ended 31st March, 2017	For the year ended 31st March, 2016
		Salaries & Wages	676,102	636,298
		Contribution to Provident Fund & Other Funds	96,776	91,512
		Contribution to Gratuity Fund	19,499	32,631
		Staff Welfare Expenses	11,139	9,523
			803,516	769,964

Notes	2.22	FINANCE COSTS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Expenses				
		On Term Loans from Banks	4,517	6,361
		" Working Capital Loans from Banks	17,328	16,193
		" Bill Discounting Charges / Retirement of Bills	3,413	3,818
		" Others	—	1,991
			25,258	28,363
Other Borrowing Cost				
		Financial Charges	3,091	3,004
			28,349	31,367

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes	2.23	OTHER EXPENSES	For the year ended 31st March, 2017	For the year ended 31st March, 2016
MANUFACTURING EXPENSES				
		Stores, Spare Parts & Packing Materials Consumed	135,062	122,461
		Power & Fuel	159,571	154,293
		Repairs to Buildings	9,853	4,818
		Repairs to Machinery	15,125	17,639
		Labour Charge (Manufacturing & Processing Expense)	110,037	94,413
		Increase/(Decrease) in Cess on Finished Goods	6	262
			429,654	393,886
SELLING AND ADMINISTRATION				
		Brokerage & Commission on Sales	8,533	6,953
		Transport & Forwarding Expenses	50,871	36,252
		Rent	3,069	1,514
		Repairs to Other Assets	14,598	7,931
		Insurance	4,951	7,319
		Rates & Taxes	1,186	665
		Legal & Professional Expenses	4,670	4,974
		Travelling Expenses	4,531	2,349
		Provision for other than temporary diminution of Long Term Investment	5	—
		Corporate Social Responsibility Expenses (See note no. 2.44)	831	—
		Miscellaneous Expenses	30,732	28,586
		Loss on sale of Fixed Assets(Net)	—	5
		Bad Debts written off	6,922	7,370
Auditors' Remuneration -				
Statutory Auditors -				
		Audit Fees	716	420
		Limited Review	173	114
		Issue of Certificates	121	57
Cost Auditors -				
		Audit Fees	25	25
		Directors' Fees	832	479
			132,766	105,013
			562,420	498,899

Notes	2.24	DEPRECIATION AND AMORTISATION EXPENSE	For the year ended 31st March, 2017	For the year ended 31st March, 2016
		On Tangible Assets	50,297	58,751
			50,297	58,751

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.25	EXCEPTIONAL ITEMS		
		Liability no longer required written back	—	—
			—	—

			For the year ended 31st March, 2017	For the year ended 31st March, 2016
Notes	2.26	TAX EXPENSE		
		Current Tax for the year	32,196	29,852
		Deferred Tax for the year	4,716	369
		Add : Income Tax related to earlier years written back	—	(109)
			36,912	30,112

			As at 31st March, 2017	As at 31st March, 2016
Notes	2.27	CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF :		
		a) Bills Discounted with Banks	24,640	59,568
		b) i) Disputed demand against WBST Act, 1994, (₹ 2,220 P.Y. ₹ 2,220) and CST Act, 1956 (₹ 154 P.Y. ₹ 316) for the year 1999-00 and 2004-05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv. Paid ₹ 1,120, PY. ₹ 1,120)	2,374	2,536
		ii) Disputed demand against WB VAT Act, 2003 (₹ 8,197 P.Y. ₹ 18,523). CST Act, 1956 (₹ 82,874 P.Y. ₹ 121,435) & WB Entry Tax Act (₹ 112 P.Y. ₹ 112) for the year 2005-06 to 2013-2014 for which Appeal is pending before WBCT (A&R) Board (Adv. Paid ₹ Nil, PY. ₹ 3,715)	91,183	139,958
		c) Land Revenue (Rent) raised by the office of the Block & Land Revenue (B.L. & L.R.) Officer Uluberia- II, Howrah due to retrospective changes in W.B.Land Reform Act. Matter is pending before W.B.Land Reform Tribunal from 2001-02 to 2016-17.	15,008	13,854
		c) a) Outstanding Bank Guarantees	37,797	37,118
		b) Outstanding Letter of Credit	85,216	4,930

			As at 31st March, 2017	As at 31st March, 2016
Notes	2.28			
		Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to ₹ 8,977 Previous Year ₹ Nil)	9,713	—

Notes 2.29

In accordance with the revised Accounting Standard – 15 i.e. Employee Benefits, the requisite disclosure are as follows :
a) The amount recognized as expense for the Defined Contribution Plans are as under :-

		For the year ended 31st March, 2017	For the year ended 31st March, 2016
	i) Employees Provident Fund	2,213	2,094
	ii) Employees Pension Scheme	48,729	46,722

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

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

i) Benefits are of the following types :

- Every employee who has completed 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, 2017 are as follows :

	Gratuity	
	2016-17	2015-16
Present Value of funded obligations	387,412	364,646
Fair value of Plan Assets	367,897	309,130
Liabilities in respect of funded obligation based on actuarial valuation basis	19,515	55,516

The amounts recognized in the statement of Profit and Loss for the year ended 31st March, 2017 are as follows :

	2016-17	2015-16
Current service cost	25,511	30,276
Interest cost on obligation	28,422	25,081
Expected Return on plan assets(-)	24,713	23,750
Expected Return on any reimbursement right recognized as an asset	—	—
Net actuarial losses/(gains) recognized during the year	(-)9,721	1,024
Past service cost	—	—
Losses/(gains) on curtailments and settlements	—	—
Total included in 'Employee Benefit Expenses'	19,499	32,631

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

	2016-17	2015-16
Present value of defined benefit obligation at the beginning of the year	364,646	333,698
Employer Service Cost (+)	25,511	30,275
Interest Cost (+)	28,422	25,081
Curtailment Cost (+)	—	—
Settlement Cost (+)	—	—
Plan Amendments	—	—
Acquisitions	—	—
Actuarial Gains (-)/ Loss (+)	(-) 251	(+) 4,336
Benefit Paid (-)	(-)30,916	(-)28,744
Present value of Defined Benefit obligations at the end of the year	387,412	364,646

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

Change in Assets	2016-17	2015-16
Fair value of Plan Assets at the beginning of the year	309,130	278,812
Acquisition adjustments		
Expected return on Plan Assets (+)	24,713	23,750
Actual Company Contribution (+)	55,500	32,000
Benefit Payments (-)	(30,916)	(28,743)
Appreciation / Depreciation of Plan Assets Actuarial Gain(+)/Loss(-)	9,471	3,311
Fair Value of Plan Assets at the end of the period	367,897	309,130

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

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

	2016-17	2015-16
Qualifying insurance policy	100%	100%

vi) Principal actuarial assumptions at the Balance Sheet date are as follows :

	2016-17	2015-16
1 Mortality	IALM (2006-2008), ultimate table	IALM (2006-2008), ultimate table
2 Morbidity	No Explicit Allowance	No Explicit Allowance
3 Withdrawal	2% to 1%, depending on the age and length of service	2% to 1%, depending on the age and length of service
4 Discount Rate	7.8% p.a. being consistent with the yield on Long Term Govt. Bond	7.8% p.a. being consistent with the yield on Long Term Govt. Bond
5 Salary Increase	7% p.a. for 1st 2 yrs., 6% for next 2 yrs. & 5.5% thereafter	7% p.a. for 1st 2 yrs., 6% for next 2 yrs. & 5.5% thereafter
6 Normal Age of Retirement	58 Years	58 Years

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

viii) In respect of provident funds for eligible employees maintained by a trust, in the nature of defined benefits plan, up to date shortfall, if any, as per actuarial valuation, in respect of contribution towards such fund is yet to be identified. However, contribution to those provident fund amounting to ₹ 11,296 (previous year ₹ 10,627) is recognized as expense and included in "Employees Benefit Expenses".

Notes	2.30	Raw materials, Stores & Spares Parts consumed include profit and/or loss on sale and excess/short found on physical verification.
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Notes	2.31	The amount of borrowing cost capitalized during the year is ₹ Nil (previous year ₹ Nil).
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Notes	2.32
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- a) Outstanding forward exchange contracts booked for the purpose of hedging Receivables/firm commitment are USD 133, EURO 41 & Sterling Pound 19 (Previous year USD 535, EURO 9 and Sterling Pound 155) and payable/firm commitments are USD NIL (PY USD NIL).
- b) Unhedged foreign currency receivables USD 55, EURO 24 and Sterling Pound 35 (Previous Year USD Nil, EURO Nil and Sterling Pound Nil) and payables are USD NIL (Previous Year USD Nil).
- c) The marked to market loss amounting to ₹. NIL (Previous Year – ₹ Nil) has been accounted for. However, marked to market gain amounting to ₹ 151 (Previous Year – ₹ 420) on Forward Exchange Contracts for firm commitments and highly probable forecast transaction has not been accounted for.

Notes	2.33
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The Company has not received any memorandum as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act, 2006 for claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to such parties during the year is ₹ Nil. (Previous Year ₹ Nil).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

(₹ in 000)

Notes 2.41 RELATED PARTY DISCLOSURES

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

A. Relationships

- 1) Holding Company of the Company
 - a) R.V. Investments & Dealers Ltd.
- 2) Subsidiary Company of the Company
 - a) Ludlow Exports Ltd.
 - b) Sijberia Industries Ltd.
- 3) Enterprise (within Group) :
 - a) Kirtivardhan Finvest Services Ltd.
 - b) Belvedere Gardens Limited
- 4) Key Managerial Personnel (KMP)
 - a) Mr. R. V. Kanoria (Non Executive Chairman w.e.f. 6th November 2014)
 - b) Mr. Ajay Todi (Managing Director from 1st July 2014)
 - c) Mrs. Puja Guin (Company Secretary & Compliance Officer till 15th May 2015)
 - d) Ms. Minu Rohila (Company Secretary & Compliance Officer till 17th September 2016)
 - e) Mr. R. K. Gupta (Chief Financial Officer)
 - f) Ms. Madhuri Pandey (Company Secretary & Compliance Officer w.e.f. 1st March 2017)

B. During the year the following transactions were carried out with the Related Parties in the ordinary course of business :-

Particulars	Holding Co. & Enterprise having significant influence		Key Managerial Personnel		Subsidiary	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Loan Repaid	—	30,000	—	—	—	—
Interest Paid	—	1,680	—	—	—	—
Remuneration paid to Managing Director	—	—	9,642	6,363	—	—
Salary Paid to other than Managing Director	—	—	1,598	1,560	—	—
Rent and maintenance charges paid	4,889	812	—	—	—	—
Security Deposit given	—	389	—	—	—	—
Deposit Received	—	100	—	—	—	—
Deposit refunded	—	100	—	—	—	—
Balance outstanding at year end :						
Closing Balance of Security Deposit given	389	389	—	—	—	—

Notes 2.42 Additional Information pursuant to Schedule III of The Companies Act, 2013, of enterprises consolidated as subsidiary.

Name of the entity in the Consolidation	Net Assets i.e. total assets minus total liabilities		Share in Profit or (Loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount
Parent				
Ludlow Jute & Specialities Limited	95.04	470,455	99.51	73,730
Subsidiaries (Indian)				
Ludlow Exports Limited	0.63	3,107	0.18	130
Sijberia Industries Limited	4.33	21,468	0.31	233
Minority Interest in all Subsidiaries		9,509		107

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2017

Previous year figures are as under :-

(₹ in 000)

Name of the entity in the Consolidation	Net Assets i.e. total assets minus total liabilities		Share in Profit or (Loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount
Parent				
Ludlow Jute & Specialities Limited	99.14	396,725	99.01	56,397
Subsidiaries (Indian)				
Ludlow Exports Limited	0.75	2,989	0.27	151
Sijberia Industries Limited	5.31	21,235	0.72	411
Minority Interest in all Subsidiaries		9,402		189

Notes 2.43 Disclosure relating to details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016

Particulars	SBN	Other Denominations Notes	Total
Closing cash in hand as on 08/11/2016	2,967	202	3,169
(+) Withdrawal from bank account	0	1,104	1,104
(+) Permitted Receipts	0	1,402	1,402
(-) Permitted Payments	0	1,640	1,640
(-) Amount deposited in Banks	2,967	0	2,967
Closing cash in hand as on 30/12/2016		1,068	1,068

Notes 2.44

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

- (a) Gross amount required to be spent by the Company during the year : ₹ 370
 (b) Amount spent during the year on :

	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	240	—	240
(ii) On purposes other than (i) above	591	—	591

- (c) Details of Related Party transactions as per Accounting Standard 18 in relation to CSR expenditure : Nil
 (d) Provision made in relation to CSR expenditure, if any: Nil

Notes 2.45 The Board of Directors of the Company has recommended to pay a final dividend @ 25% (₹ 2.50 per share on Face Value of ₹ 10/-) subject to the approval of shareholders in the Annual General Meeting.

Notes 2.46 Figures of less than Rupee 1 have been shown at actuals in brackets in Notes to Account No 2.11. Other than these all other figures in bracket are in negatives.

Notes 2.47 Figures of the Previous Year have been regrouped / rearranged wherever considered necessary.

As per our Report annexed.

For **SINGHI & CO.**

Chartered Accountants

Firm Registration No - 302049E

M. L. SHUKLA

Partner

Membership No . 051505

161, Sarat Bose Road

Kolkata - 700026

28th day of April, 2017

For and on behalf of the Board

R. K. Gupta

Chief Financial Officer

Madhuri Pandey

Company Secretary

Ajay Todi

Managing Director

DIN - 00004380

R. V. Kanoria

Non-Executive Chairman

DIN - 00003792

LUDLOW JUTE & SPECIALITIES LIMITED

CIN: L65993WB1979PLC032394

Registered Office: KCI Plaza, 4th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata-700019

Phone: 91-33-4050-6300/6330/31/32, **Fax No:** 91-33-4050-6333/6334

E-mail: investors.grievance@ludlowjute.com, **Website:** www.ludlowjute.com

PROXY FORM

Form MGT-11

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

Name of the Member (s):

Registered Address:

E-mail ID:

Folio No/ Client ID: DP ID:

I/We, being the member(s), of the above named Company holding shares of above named Company hereby
Appoint:

(1) Name Address

E-mail Id Signature or failing him/her

(2) Name Address

E-mail Id Signature or failing him/her

(3) Name Address

E-mail Id Signature or failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the **38th Annual General Meeting** of the Company, to be held on **Monday, 4th September, 2017** at **11.00 a.m.** at **Shripati Singhania Hall in Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700 020** and at any other adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional *	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements (including the consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.		
2.	To declare dividend on equity shares for the financial year ended 31st March, 2017.		
3.	To appoint a Director in place of Mr. R.V. Kanoria, (holding DIN 00003792), who retires by rotation and being eligible offers himself for re-appointment.		
4.	To appoint Statutory Auditors of the company for a period of 5 years and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s).		
Special Business			
5.	Ratification of the remuneration of the Cost Auditors.		

Signed this day of 2017

.....
Signature of Shareholder (s)

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

Affix
Revenue
Stamp

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

LUDLOW JUTE & SPECIALITIES LIMITED

CIN: L65993WB1979PLC032394

Registered Office: KCI Plaza, 4th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata-700019

Phone: 91-33-4050-6300/6330/31/32, **Fax No:** 91-33-4050-6333/6334

E-mail: investors.grievance@ludlowjute.com, **Website:** www.ludlowjute.com

ATTENDANCE SLIP

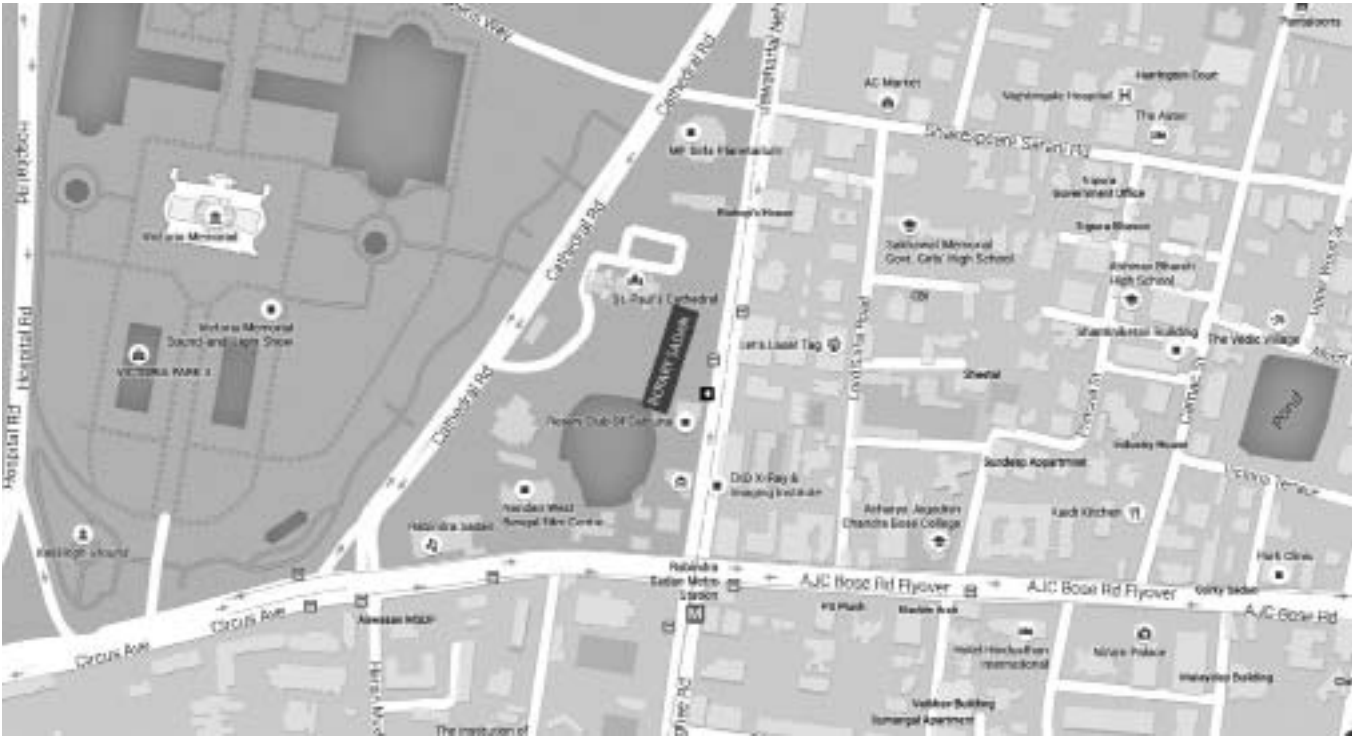
I hereby record my presence at the Annual General Meeting of the above named Company held at **Shripati Singhania Hall in Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700 020** on **Monday, 4th September, 2017** at **11.00 a.m.**

Name of Proxy (in BLOCK LETTERS)

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

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

Route Map to the venue of 38th AGM of Ludlow Jute & Specialities Limited



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Kolkata 700 019