



QUALITY-PLUS KEEPS US AHEAD

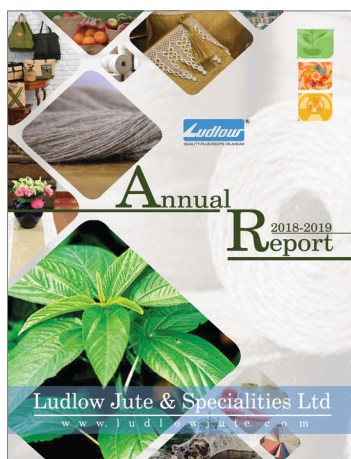
Annual Report

2018-2019

Ludlow Jute & Specialities Ltd

www.ludlowjute.com





FORWARD LOOKING STATEMENT

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

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

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

Between the Covers

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BOARD OF DIRECTORS

Mr. Rajya Vardhan Kanoria
Non-Executive Chairman

Mr. Jugal Kishore Bhagat
Independent Director

Mr. Biswajit Choudhuri
Independent Director

Mr. Satish Kapur
Independent Director

Ms. Nayantara Palchoudhuri
Independent Director

Mr. Bharat Kumar Jalan
Independent Director

Mr. Tonmoy Bera
Managing Director

CHIEF FINANCIAL OFFICER

Mr. Rajesh Kumar Gupta

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pratibha Jaiswal

AUDITORS

J K V S & Co.
Chartered Accountants
5-A, Nandalal Jew Road,
Kolkata – 700 026

BANKERS

Central Bank of India
Allahabad Bank

REGISTRAR & SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
383 Lake Gardens, 1st Floor, Kolkata – 700 045
Phone: (033) 4072 4051/52/53
Fax: (033) 4072 4050
E-mail id: mcssta@rediffmail.com

REGISTERED OFFICE

KCI Plaza, 4th Floor,
23C Ashutosh Chowdhury Avenue,
Kolkata – 700 019,
West Bengal, India
CIN: L65993WB1979PLC032394
Email: info@ludlowjute.com
Website: www.ludlowjute.com
Ph. No. (033) 4050 6300/6330
Fax No. (033) 4050 6333

WORKS

P.O. Chengail, Howrah – 711 308
Ph. No. (033) 2642 8366
Fax No. (033) 2642 8367

NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the Fortieth Annual General Meeting of the members of Ludlow Jute & Specialities Limited will be held at Shripati Singhania Hall in Rotary Sadan, 94/2, Chowringhee Road, Kolkata - 700 020 on Wednesday, the 4th day of September 2019 at 11:00 a.m. to transact the following business(es):-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 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, 2019.
3. To appoint a Director in place of Mr. Rajya Vardhan Kanoria (DIN: 00003792), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution(s):

4. As a Special Resolution

"RESOLVED THAT in accordance with the provisions of Section 149 of the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment & continuation of directorship of Mr. Jugal Kishore Bhagat (DIN: 00055972) for a period of 5 years with effect from this Annual General Meeting till the conclusion of the 45th Annual General Meeting."

5. As a Special Resolution

"RESOLVED THAT in accordance with the provisions of Section 149 of the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment & continuation of directorship of Mr. Biswajit Choudhuri (DIN: 00149018) for a period of 5 years with effect from this Annual General Meeting till the conclusion of the 45th Annual General Meeting."

6. As a Special Resolution

"RESOLVED THAT in accordance with the provisions of Section 149 of the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment of Mr. Satish Kapur (DIN: 00051163) for a period of 5 years with effect from this Annual General Meeting till the conclusion of the 45th Annual General Meeting."

7. As an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force), the remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand Only) plus applicable taxes and reimbursement of travelling and other incidental expenses to be incurred by them in the course of cost audit and payable to M/s. SPK Associates, Cost Accountants (Firm Registration No. 000040), appointed as the Cost Auditors by the Board of Directors of the Company on the recommendation of the Audit Committee, for conducting the audit of the cost records of the Company for the financial year ending on 31st March, 2020, be and is hereby ratified and confirmed."

Registered Office

KCI Plaza, 4th Floor,
23C Ashutosh Chowdhury
Avenue, Kolkata - 700 019
CIN: L65993WB1979PLC032394
Email: info@ludlowjute.com
investors.grievance@ludlowjute.com
Website: www.ludlowjute.com
Ph. No. (033) 4050 6300
Fax No. (033) 4050 6333
Date: 3rd May, 2019
Place: Kolkata

By Order of the Board

Pratibha Jaiswal
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) SHALL BE ENTITLED TO APPOINT

NOTICE

ANOTHER PERSON AS PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS BEHALF. A PROXY SHALL NOT HAVE THE RIGHT TO SPEAK AT THE AFORESAID MEETING AND SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AFORESAID MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS/AUTHORITY, AS APPLICABLE. A PERSON CAN ACT AS PROXY ON BEHALF OF NOT MORE THAN FIFTY MEMBERS AND HOLDING IN THE AGGREGATE, NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT BE ENTITLED TO ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER.

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to Special Business set out in the Notice is annexed hereto.
3. Corporate Members are requested to send to the Company/Registrar & Share Transfer Agent, a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote at the AGM pursuant to Section 113 of the Companies Act, 2013.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from 29th August 2019 to 4th September 2019, both days inclusive.
5. 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.
6. Members who hold shares in dematerialized form, are requested to furnish their Client ID and DP ID numbers for easy identification of attendance at the Meeting.
7. Members who are holding shares in physical form and desire to avail the facility of Electronic Credit of Dividend are requested to furnish their Bank particulars, together with a photocopy of blank cancelled cheque for verification of MICR code, to the Company or its RTA. Members holding shares in electronic form are requested to furnish the said information to their respective Depository Participants.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all companies are to mandatorily use the Bank Accounts details furnished by the Depositories for crediting dividend. Dividend will be credited to the Member's Bank Account through NECS wherever complete core banking details are available with the Company. In cases, where the core banking details are not available, dividend warrants will be issued to the Members with Bank details printed thereon as available in the Company's records.

8. Members holding shares in physical form are requested to inform the Company / Registrar & Share Transfer Agent, the changes, if any, in their address or Bank particulars so that the same can be incorporated in the Dividend Instrument and in case their shares are held in dematerialized form, this information should be furnished to their respective Depository Participants immediately.
9. Members, who have not dematerialized their shares as yet, are advised to have their shares dematerialized to avail the benefits of paperless trading as well as easy liquidity as the trading in shares of the Company is under compulsory dematerialized form.
10. Members holding shares of the Company in physical form through multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholding into single folio, by sending their original share certificates along with a request letter to consolidate their shareholding into one single folio, to the Registrar & Share Transfer Agents of the Company.
11. In all correspondence with the Company/Registrar & Share Transfer Agents, Members are requested to quote their Folio Number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
12. Dividend on Equity Shares as recommended by the Board, if approved at the Meeting, will be paid:
 - (a) to those whose names appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company on or before 28th August 2019, and
 - (b) in respect of shares held in electronic form, to those "deemed members" whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on 28th August 2019.

NOTICE

13. In accordance with the provisions of Section 124 and 125 of the Companies Act, 2013, the unclaimed / unpaid dividend relating to financial year ended 31st March 2011 has been deposited on 5th October, 2018 with the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid & unclaimed dividends lying with the Company as on 13th September 2018 (date of last Annual General Meeting) on its website and on the website of the Ministry of Corporate Affairs. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013 be transferred to the IEPF. Members who have a valid claim to any of the unclaimed / unpaid dividends are requested to correspond with the Company at its registered office or the Registrar & Share Transfer Agents of the Company.

Shares on which dividend remains unclaimed / unpaid dividends for seven consecutive years will also be transferred to IEPF as per Section 124(6) of the Companies Act, 2013, and the applicable rules. During the year 2018-19, the Company transferred 23601 Equity Shares of Rs. 10/- each of the Company, on which dividend has remained unclaimed / unpaid for a consecutive period of seven years or more, to the DEMAT Account of the IEPF Authority, as per the applicable provisions of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended.

Members are informed that once the unclaimed / unpaid dividends are transferred to IEPF, the same may be claimed by the Members from the IEPF Authority by making an application in prescribed form IEPF-5 online and sending physical copy of the same duly signed (as per the specimen signature recorded with the Company) along with requisite documents as specified in Form IEPF-5 which is available on the website of IEPF at www.iepf.gov.in

14. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant with whom they are maintaining their DEMAT accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar & Share Transfer Agent of the Company.
15. Members are requested to notify any change in their address immediately to M/s. MCS Share Transfer Agent Limited, 383 Lake Gardens, 1st Floor, Kolkata – 700 045, the Registrars & Share Transfer Agents of the Company for shares held in physical form. Shareholders who hold their shares in dematerialized form may lodge their requests for change of address, if any, with their respective Depository Participants.
16. Members interested in making / changing nomination in respect of shares held by them in physical form may write to M/s MCS Share Transfer Agent Limited, at the address as mentioned in point 15 above for the prescribed form.
17. Copies of the Annual Report 2018-19, Notice of the 40th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company / Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the Annual Report 2018-19, Notice of the 40th Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by the permitted mode.
18. Members who have not registered their e-mail address so far, are requested to register their e-mail address for receiving all communications from the Company electronically.
19. Members are requested to bring their copy of the Annual Report to the meeting.
20. Members may note that the Notice of the 40th AGM and the Annual Report for 2018-19 will also be available on the Company's website www.ludlowjute.com. Members who require communication in physical form in addition to e-communication, may write to the Company / Registrar & Transfer Agent at info@ludlowjute.com / mcssta@rediffmail.com
21. The Share Certificates with the 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 requires the stickers with the Company's new name, may write to the Company / Registrar & Transfer Agent.
22. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company from 11 A.M. to 1 P.M. on all days except Saturday(s), Sunday(s) and public holidays till the date of Annual General Meeting.
23. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting (SS-2) issued by The Institute of Company Secretaries of India, the Company is providing the members with the facility to cast their vote electronically from a location other than the venue of the Annual

NOTICE

General Meeting ("Remote e-voting"). The Company has engaged in Central Depository Services (India) Limited ("CDSL") to provide to the Members the e-voting platform and services for casting their vote through remote E-voting on all resolutions set forth in this Notice.

The facility for voting through ballot paper shall be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their vote again.

24. SHAREHOLDERS INSTRUCTIONS FOR E-VOTING:

- (i) The voting period commences on 1st September 2019 at 09.00 a.m. and ends on 3rd September 2019 at 05.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 28th August 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The facility for voting through polling papers shall be made available at the Annual General Meeting on 4th September 2019 and the members as on the "cut-off date" i.e. 28th August 2019 attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through poll.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in DEMAT Form and Physical Form	
PAN	<p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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 RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth	<p>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.</p> <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 vii.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for <LUDLOW JUTE & SPECIALITIES LTD> on which you choose to vote.

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- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If DEMAT account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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.

(xxi) **Note for Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to [helpdesk.evoting@cDSLindia.com](mailto: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) 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cDSLindia.com

Mr. Sachin Pilonia, Practicing Company Secretary, (ACS: 37957) have been appointed as the Scrutinizer to scrutinize the voting in a fair and transparent manner, whose e-mail address is sachinpilonia22@gmail.com

The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his vote.

Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through poll. The members who have already cast their vote by remote e-voting prior to the meeting shall not be entitled to cast their vote again.

The results on the resolution will be declared not later than 48 hours from the conclusion of the AGM i.e. 4th September 2019. The declared results along with the Scrutinizer's Report shall be placed on the Company's website at www.ludlowjute.com and on the website of CDSL at www.evotingindia.com and will also be forwarded to the Stock Exchanges where the Company's shares are listed subject to receipt of requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting.

25. Re-Appointment of Director:

Mr. Rajya Vardhan Kanoria (DIN: 00003792) aged about 64 years is a Non - Executive Director of the Company with effect from 8th November, 2006. He retires by rotation at the 40th Annual General Meeting of the Company under Section 152 of the Companies Act, 2013 and, being eligible, has offered himself for re-appointment as a Director of the Company.

NOTICE

The additional information required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

i. Expertise in specific functional areas	An Industrialist with rich business experience and vast knowledge.	
ii. 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.	
iii. Chairman/ Member of Committees of the Board of other Public Limited Companies in which he is a Director (Audit Committee & Stakeholders' Relationship Committee has been considered)	Name of Company	
	Chairman: 1. KPL International Ltd 2. Nestle India Ltd. 3. J K Paper Ltd	Audit Audit Nomination & Remuneration Stakeholders' Relationship
	Member: 1. Nestle India Ltd 2. Kanoria Chemicals & Industries Ltd 3. J K Paper Ltd 4. KPL International Ltd. 5. R V Investment and Dealers Limited	Stakeholders' Relationship, Audit Audit Share Transfer Stakeholders' Relationship
vii. Shareholding in the Company	10,300	
viii. Relationship with other Directors.	None.	

Registered Office

KCI Plaza, 4th Floor,
 23C Ashutosh Chowdhury
 Avenue, Kolkata - 700 019
 CIN: L65993WB1979PLC032394
 Email: info@ludlowjute.com
 investors.grievance@ludlowjute.com
 Website: www.ludlowjute.com
 Ph. No. (033) 4050 6300
 Fax No. (033) 4050 6333
 Date: 3rd May, 2019
 Place: Kolkata

By Order of the Board

Pratibha Jaiswal
 Company Secretary

NOTICE

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

Mr. Jugal Kishore Bhagat (DIN: 00055972), who was appointed as an Independent Director of the Company at the 35th Annual General Meeting held on 5th September, 2014, for a period of five years up to the conclusion of the 40th Annual General Meeting of the Company in the calendar year 2019.

Mr. Bhagat is a Graduate in Commerce from St. Xavier's College, Kolkata. He is an eminent Industrialist and has significant experience in Jute business. His in-depth knowledge and vast experience adds value to the Board and Committee(s) and contributes effectively in the deliberations and decision making. In order to continue to derive the benefits of his knowledge and experience, it is in the interest of the Company to continue the directorship of Mr. Jugal Kishore Bhagat as an Independent Director of the Company.

The additional information required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

i. Expertise in specific functional areas	An Industrialist with rich business experience and vast knowledge.	
ii. List of other Directorships held in Public Limited Companies	a) The Naihati Jute Mills Co. Ltd b) Ginni Filaments Ltd. c) Ludlow Chemical Solutions Ltd. d) Ginni Flour & Foods Ltd. e) CFM Infratex Ltd. f) Ludlow Jute & Specialities Ltd.	
iii. Chairman/ Member of Committees of the Board of other Public Limited Companies in which he is a Director (Audit Committee & Stakeholders' Relationship Committee has been considered)	Name of Company	Name of the Committee
	Chairman: 1. Ludlow Jute & Specialities Ltd.	Stakeholders' Relationship
	Member: 1. The Naihati Jute Mills Co. Ltd. 2. Ginni Filaments Ltd.	Stakeholders' Relationship Audit Audit
vii. Shareholding in the Company	Nil	
viii. Relationship with other Directors.	None.	

The Members of the Company are informed that SEBI vide a Notification dated 9th May, 2018 had amended SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, vide the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter referred to as "New Regulations") and among other matters, inserted a new regulation 17(1A) which shall be applicable with effect from 1st April, 2019. In terms of the said new regulation, a person shall not be eligible to get appointed as a non-executive director or in case of an existing non-executive director, shall not be eligible to continue such directorship in a listed entity with effect from 1st April, 2019, if he/she has attained the age of seventy five years unless the approval of the shareholders is obtained by way of a special resolution.

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee and to continue the benefit of Mr. Bhagat's valuable experience and expertise for the Company, had in its meeting held on 3rd May 2019, approved the re-appointment & continuation of Directorship of Mr. Jugal Kishore Bhagat in the Company subject to the approval of shareholders in the forthcoming Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

Item No. 5

Mr. Biswajit Choudhuri (DIN: 00149018), who was appointed as an Independent Director of the Company at the 35th

NOTICE

Annual General Meeting held on 5th September, 2014, for a period of five years up to the conclusion of the 40th Annual General Meeting of the Company in the calendar year 2019.

Mr. Choudhuri graduated as a Mechanical Engineer from IIT, Kharagpur, in 1963 and later qualified as a Cost Accountant from the Institute of Cost Accountants of India of which he is a Fellow. He is also an Honorary Fellow of the Indian Institute of Banking & Finance.

He has over 51 years of rich and varied experience in Engineering, Banking, Finance and Management. He has vast experience in the fields of administration and public relations. Mr. Choudhuri was appointed by Government of India as Chairman and Managing Director of United Bank of India and he was at the helm of that Bank for five years from 1996 to 2001.

In his long career Mr. Choudhuri served for various period(s) on the Board(s) of Directors / Governing Councils of several companies and National Level Bodies as well as on different Committees and Working Groups of Reserve Bank of India, Ministry of Finance of Government of India and the Indian Banks' Association.

He was Deputy Chairman of Indian Banks' Association, a Director on the Board of National Insurance Company Ltd., a Member of the Council of Governors of National Centre for Jute Diversification as nominee of Ministry of Textiles, Govt. of India, Member of Governing Councils/ Boards of National Institute of Bank Management (NIBM), Indian Institute of Banking & Finance (IIBF), Institute of Banking Personnel Selection (IBPS), Indian Institute of Social Welfare and Business Management (IISWBM), North Eastern Institute of Bank Management (NEIBM), Calcutta Stock Exchange Association Ltd., Usha Martin Ltd., Adani Enterprises Ltd., EID Parry (India) Ltd., Mundra Port & Special Economic Zone Ltd. and several other companies/ bodies.

He is currently an Independent Director on the Board(s) of several Public Limited Companies. He is associated with a number of National and International Professional Bodies.

His in-depth knowledge and vast experience add(s) value to the Board and Committee(s) and contributes effectively in the deliberations and decision making. In order to continue to derive the benefit of his knowledge and experience, it is in the interest of the Company to re-appoint and continue the Directorship of Mr. Choudhuri as an Independent Director of the Company.

The additional information required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

i. Expertise in specific functional areas	Expertise in Banking & Finance.	
ii. List of other Directorships held in Public Limited Companies	a) Godawari Power & Ispat Ltd. b) Hira Ferro Alloys Ltd. c) Hindusthan Engineering & Industries Ltd. d) Ludlow Jute & Specialities Ltd.	
iii. Chairman/ Member of Committees of the Board of other Public Limited Companies in which he is a Director (Audit Committee & Stakeholders' Relationship Committee has been considered)	Name of Company	Name of the Committee
	Chairman: 1. Ludlow Jute & Specialities Ltd. 2. Godawari Power & Ispat Ltd. 3. Hira Ferro Alloys Ltd. 4. Hindusthan Engineering & Industries Ltd.	Audit Audit Audit Audit Stakeholders' Relationship
	Member: 1. Godawari Power & Ispat Ltd. 2. Hira Ferro Alloys Ltd.	Stakeholders' Relationship Stakeholders' Relationship
vii. Shareholding in the Company	Nil	
viii. Relationship with other Directors.	None.	

The Members of the Company are informed that SEBI vide a Notification dated 9th May, 2018 had amended SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, vide the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (hereinafter referred to as "New Regulations") and among other

NOTICE

matters, inserted a new regulation 17(1A) which shall be applicable with effect from 1st April, 2019. In terms of the said new regulation, a person shall not be eligible to get appointed as a non-executive director or in case of an existing non-executive director, shall not be eligible to continue such directorship in a listed entity with effect from 1st April, 2019, if he/she has attained the age of seventy five years unless the approval of the shareholders is obtained by way of a special resolution.

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee and to continue the benefit of Mr. Choudhuri's valuable experience and expertise for the Company, had in its meeting held on 3rd May 2019, approved the re-appointment & continuation of Directorship of Mr. Biswajit Choudhuri in the Company subject to the approval of shareholders in the forthcoming Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

Item No. 6

Mr. Satish Kapur (DIN: 00051163), who was appointed as an Independent Director of the Company at the 35th Annual General Meeting held on 5th September, 2014, for a period of five years up to the conclusion of the 40th Annual General Meeting of the Company in the calendar year 2019.

Mr. Kapur is a Graduate from Calcutta University and has a rich experience of six decades in the field of paper, packaging and cold storage business. In his long career Mr. Kapur served as Past President of Federation of Corrugated Box Manufacturers Association, Past Director of International Corrugated Case Association (ICCA), Paris, Past Committee Member of Indian Chamber of Commerce & is currently a Senior Vice President at Bharat Chamber of Commerce.

Mr. Kapur had always been engaged with the social organizations. He was the Past President of The Saturday Club Ltd., Past President of Rotary Club of Calcutta, Past Steward in Royal Calcutta Turf Club, Past Committee Member of Tollygunge Club, Past Honorary Consulate of Consulate of Finland, in Calcutta, Past Honorary Director & Treasurer of the Consular Corps of Kolkata.

He is currently an Independent Director on the Board(s) of several Public Limited Companies. His in-depth knowledge and vast experience add(s) value to the Board and Committee(s) and contributes effectively in the deliberations and decision making. In order to continue to derive the benefits of his knowledge and experience, it is in the interest of the Company to re-appoint and continue the Directorship of Mr. Kapur as an Independent Director of the Company.

The additional information required under regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

i. Expertise in specific functional areas	An Industrialist with rich business experience and vast knowledge.	
ii. List of other Directorships held in Public Limited Companies	a) Hindusthan Engineering & Industries Ltd. b) Jayshree Chemicals Ltd. c) VISA International Ltd. d) VISA Minmetal Ltd. e) VISA Infrastructure Ltd. f) Ludlow Jute & Specialities Ltd.	
iii. Chairman/ Member of Committees of the Board of other Public Limited Companies in which he is a Director (Audit Committee & Stakeholders' Relationship Committee has been considered)	Name of Company	Name of the Committee
	Chairman:	Nil
	Member: 1. Jayshree Chemicals Ltd. 2. Hindusthan Engineering & Industries Ltd. 3. VISA International Ltd. 4. VISA Minmetal Ltd. 5. VISA Infrastructure Ltd	Audit Stakeholders' Relationship Audit Stakeholders' Relationship Audit Audit Audit
vii. Shareholding in the Company	1000	
viii. Relationship with other Directors.	None.	

NOTICE

The Board of Directors, upon recommendation of the Nomination and Remuneration Committee and to continue the benefit of Mr. Kapur's valuable experience and expertise for the Company, had in its meeting held on 3rd May 2019, approved the re-appointment of Directorship of Mr. Satish Kapur in the Company subject to the approval of shareholders in the forthcoming Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

Item No. 7

In accordance with the provisions of Section 148 of the Companies Act, 2013 & the Companies Rules, 2014 and the Companies Amendment Rules 2014, the Company is required to appoint a cost auditor to audit the cost records of the Company for products and services, specified under the above Rules issued in pursuance to the above section. The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment of M/s. SPK Associates, Cost Accountants (Firm Registration No. 000040), as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the Financial Year 2019-20 at remuneration of Rs. 25,000/- (Rupees Twenty-five Thousand Only) plus applicable taxes and reimbursement of travelling and other incidental expenses to be incurred by them in the course of cost audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item no. 7 of the notice for ratification of the remuneration payable to the cost auditors for the financial year ended 31st March, 2019. The Board of Directors recommend the resolution for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the said Resolution.

Registered Office

KCI Plaza, 4th Floor,
23C Ashutosh Chowdhury
Avenue, Kolkata - 700 019
CIN: L65993WB1979PLC032394
Email: info@ludlowjute.com
investors.grievance@ludlowjute.com
Website: www.ludlowjute.com
Ph. No. (033) 4050 6300
Fax No. (033) 4050 6333
Date: 3rd May, 2019
Place: Kolkata

By Order of the Board

Pratibha Jaiswal
Company Secretary

BOARD'S REPORT

Dear Members,

Your Directors present before you the 40th Annual Report of your Company on business & operations together with Audited Financial Statements and the Auditor's Report for the year ending 31st March 2019.

OPERATIONS

During the year under review, the Company's sale was ₹ 362.18 crores (including exports of ₹ 55.38 crores) against sales of ₹ 328.11 crores (including exports of ₹ 70.35 crores) during the previous year. The production was higher at 44,800 M.T. against 41,968 M.T. during the previous year. Margins were under pressure as raw jute prices remained high during the first nine months of the financial year. Raw jute prices started softening only in the last quarter of the year.

In the year 2019-20, it is expected that the raw jute crop will be higher as the weather conditions have been favourable during the months of March and April, which is the sowing time for raw jute in the South Bengal belt, which provides the majority of jute required for production of food grain packaging bags. The expectation is also positive for the Assam and Northern belt. The company is laying a lot of emphasis on productivity and cost control. This is expected to yield positive results for the future years.

FINANCIAL SUMMARY

(Figs in ₹ in Crores)

Particulars	2018-19	2017-18
Total Income	370.72	337.22
Profit before Depreciation, Finance Costs, Tax and Exceptional Items	13.42	12.38
Finance Costs	(5.61)	(4.18)
Depreciation and amortisation	(5.62)	(5.23)
Exceptional items	-	-
Profit before tax	2.19	2.97
Tax expenses	(0.63)	(1.17)
Profit for the year	1.56	1.80
Other Comprehensive income for the year, net of tax	0.90	1.75
Total Comprehensive income for the year	2.46	3.55

DIVIDEND

The Board of Directors recommends, for consideration of shareholders at the Annual General Meeting, a Dividend @ 15% (₹ 1.5 per share) on Equity Shares of ₹ 10/- each for the year ended 31st March, 2019.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013. The amount transferred to IEPF was Rs. 10,39,198/- during the year.

TRANSFER TO RESERVES

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

BOARD MEETINGS

The Board of Directors met 4 (Four) times i.e., 07.05.2018, 09.08.2018, 01.11.2018 & 01.02.2019 during this financial year.

SUBSIDIARY COMPANY

The Company has no subsidiary, joint venture or associate Companies during the Financial Year 2018-19.

PUBLIC 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.

INTERNAL FINANCIAL CONTROL

The Board of Directors (Board) has devised systems, policies and procedures / frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to Company's policies, safeguarding assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

BOARD'S REPORT

CREDIT RATING

CARE Ratings Limited has assigned long-term rating of CARE A; Negative and short-term rating of CARE A2+ to the Company for the working capital and term loan facilities availed by the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Rajya Vardhan Kanoria (DIN: 00003792), Director of the Company retire by rotation at the conclusion of the forthcoming Annual General Meeting, and being eligible offer himself for reappointment.

Mr. Iswari Prasad Poddar had resigned from the post of an Independent Director with effect from 18th January, 2019.

Mr. Ajay Kumar Todi had resigned from the post of Managing Director with effect from 15 November 2018.

Mr. Tonmoy Bera was appointed as an Additional Director in their Board Meeting held on 1st February, 2019 and was further appointed as Managing Director with effect from 1st February 2019 through postal ballot.

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.

Ms. Madhuri Pandey had resigned from the post of Company Secretary & Compliance Officer from the close of business hours on 1st February 2019.

Ms. Pratibha Jaiswal was appointed as Company Secretary & Compliance Officer in their Board Meeting held on 3rd May 2019.

I. Declaration from Independent Directors

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 & Regulation 16(1)(b) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 SEBI (LODR) Regulations, 2015 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.

AUDITORS

(i) Statutory Auditors

M/s. J K V S & Co., formerly know as Jitendra K Agarwal & Associates, Chartered Accountants, (Firm Registration No. 318086E), had been appointed as Statutory Auditor of the Company in their Annual General Meeting held on 4th September, 2017 for a term of 5 years subject to ratification every year.

As per the amended provisions of Section 139, the appointment for ratification by members at every Annual General Meeting is omitted. Hence no ratification shall be done at the Annual General Meeting.

(ii) Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, the Board has, on the recommendation of the Audit Committee, approved the appointment of M/s SPK Associates, Cost Accountants (Firm Registration No. 000040), Kolkata, as the Cost Auditors for conducting the audit of the cost records of the Company for the Financial year 2019-20, at a remuneration of Rs. 25,000/- (Rupees Twenty-five Thousand Only) plus applicable taxes and reimbursement of travelling and other incidental expenses to be incurred by them in the course of cost audit.

(iii) Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. B. N. Khandelwal, (ACS-1614) Practising Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year 2018-19 is provided as an Annexure to this Report in Annexure - III. The Report does not contain any qualification, reservation or adverse remark.

FRAUD REPORTING

During the year under review, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no details is required to be disclosed under Section 134(3) of the Companies Act, 2013.

BOARD'S REPORT

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), Regulations, 2015, a separate section on corporate governance along with a certificate from the statutory auditors of the Company confirming the compliance, is annexed as Annexure - V and forms part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion And Analysis Report is annexed and forms part of this Report.

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:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable Indian Accounting Standards (Ind AS) had been followed;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for that period;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2019, on 'a going concern' basis;
- (v) 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;
- (vi) 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.

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.

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.

AUDIT COMMITTEE

The Audit Committee of the Board has been constituted in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The constitution and other details of the Audit Committee are given in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee of the Board has been constituted in compliance with the provisions of Companies Act, 2013 as amended from time to time. The constitution and other details of the Corporate Social Responsibility Committee are given in the Corporate Governance Report. The said policy may be referred to on the Company's 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 ₹ 8.43 lakhs.

In terms of provisions under Section 135 of the Companies Act, 2013, the CSR expenses to be incurred by the Company during the year 2018-19 was Rs. 14.95 lakhs.

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.

BOARD'S REPORT

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 as and when required.

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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.

SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE COMPANY'S GOING CONCERN STATUS & OPERATIONS IN FUTURE

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India.

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, 2019 and the date of Board's Report.

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.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

EXTRACT OF THE ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013, the extract of the Annual Return for the year ended 31st March, 2019 forms part of this report as Annexure-II.

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

The Company's human resources development is founded on a strong set of values. The policies seek to instil spirit of trust, transparency, and dignity among all employees. The Company continues to provide ongoing training to its employees at different levels.

Industrial relations with employees and workers across all locations of the Company continued to be cordial during the year.

APPRECIATION

Your Directors take this opportunity to express their grateful appreciation for the co-operation and guidance received from the Regulators, Central & State Govts., Bankers as well as the Shareholders during the year. Your Directors also wish to place on record their appreciation for the devoted and dedicated service rendered by all the employees of the Company.

For and on behalf of the Board

For and on behalf of the Board

Date: 3rd May, 2019
Place: Kolkata

Rajya Vardhan Kanoria
Chairman
DIN: 00003792

Tonmoy Bera
Managing Director
DIN: 08342972

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure and Developments

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

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

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

Recent developments are going on mainly in Non-woven / Composite areas.

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

Opportunities

There is rising awareness about disposal issues leading to high total cost of using synthetics; here lies the opportunity to offer jute consumer products including jute bags as a mass consumption product. Acceptance of Jute products are increasing due to its biodegradability as well as eco-friendly nature.

Jute's versatile applications have been already started for lifestyle and promotional bags, decoratives, geo-textiles, apparels, composites, upholstery furnishings, and also non-wovens for both technical and non-technical purposes. Number of Research & Developments are going on in these fields. The industry would do well to take advantage of such various developments.

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

Threats/Risks and Concerns

Following are the major areas of risks and concerns:

- (a) Conversion cost such as Wages, Power, Insurance etc. have been increased to a large extent resulting in higher cost of production.
- (b) Abnormal absenteeism causing a serious loss of production with respect to capacity utilisation which is indirectly increasing conversion cost also. Despite of increase in minimum wages from ₹ 257/- to ₹ 370/- per month and average ₹ 2/- per day per worker. There is no change in scenario of absenteeism.
- (c) Due to large difference of wage structure in comparison to Bangladesh, we have lost overseas market drastically.
- (d) Seasonal shortages of labour due to adhoc absenteeism, change in new migrant labour availability patterns, shortage of skilled labour and union activism further add to high manpower costs.
- (e) Attempt made for artificially lowering/capping the price being paid for sacking supplied by the industry for packaging foodgrains to various government agencies is an area of concern.
- (f) Despite its eco-friendly nature and ability to withstand multiple use, jute industry is forced to plead its case each year for extension of JPM Act, 1987.
- (g) There is an urgent need for organised training facilities for attracting new workers to the industry at an early age.
- (h) Unbridled increase in wage costs without linkage to productivity in the face of competition from Bangladeshi jute products produced with cheap de-unionised labour and dumped into India.
- (i) As an agricultural product, Jute is at the mercy of the vagaries of weather.

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.

Outlook

Good agricultural production in India (almost 20% higher than last year) is expected to further boost demand for jute products in the medium term. With increased focus on increased farmer income and assurance of a remunerative Minimum Support Price, demand for packaging products would sustain.

Continuous increase in Jute prices from Q1 to Q3 during Financial Year 2018-19 was not favourable for the industry in face of competition from other natural fibres. However, the price of Jute had reduced in Q4.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

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.

Industrial Relations Front

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

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

We have also mentored two students from National Institute of Fashion Technology, Patna who pursued their 5 months long Graduation Project with Ludlow Jute & Specialities Limited. We have also had students from National Institute of Fashion Technology, Kolkata and JD Birla Institute (Department of Textile Science, Clothing & Fashion) visiting the Mill as part of their industrial study.

We plan to sponsor B.Tech students of Textile Technology from Government College of Engineering & Textile Technology Serampore to strengthen our association with the textile industry at large.

Financial Performance with respect to operational performance

During the year under review, the Company's sale was Rs. 362.18 crores (including exports of Rs. 55.38 crores) against sales of ₹ 328.11 crores (including exports of ₹ 70.35 crores) during the previous year. The production was higher at 44,800 M.T. against 41,968 M.T. during the previous year. Margins were under pressure as raw jute prices remained high during the first nine months of the financial year. Raw jute prices started softening only in the last quarter of the year.

Key Financial Ratios

Particulars	31.03.2019	31.03.2018
Debtor Turnover Ratio	11.44	12.75
Inventory Turnover Ratio	4.13	5.23
Interest Coverage Ratio	2.48	3.12
Current Ratio	1.23	1.20
Debt Equity Ratio	0.12	0.06
Operating Profit Margin Ratio (%)	3.62	3.67
Net Profit Margin Ratio (%)	0.42	0.53
*Return on Networth (%)	0.98	1.13

*The Return on Net Worth has declined due to lower profit for the year ended 31st March 2019.

There has been no significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in any of the key financial ratios during the year under review.

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.

For and on behalf of the Board

Rajya Vardhan Kanoria
Chairman
DIN: 00003792

For and on behalf of the Board

Tonmoy Bera
Managing Director
DIN: 08342972

Date: 3rd May, 2019
Place: Kolkata

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE I

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

I. 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 –
- Introduction of Premium Efficiency IE3 motors mainly for Spinning & Drawing frames
 - By converting conventional light fittings to non-conventional like LED type - to minimize energy consumption.
 - Schedule Maintenance of all machines, motors and compressors to make them energy efficient and minimize losses. Steps towards centralization of air pressure & requirement
 - Power Factor sustained at significantly high levels above 99% by adding capacitor banks in the system where requires.
 - Optimizing transformer uses and load distribution.
 - Roof top Solar Power Plant capacity enhancement because of steady generation obtained in two year trouble free operation by planning to raise the plant capacity from 1.2 MWp to near about 3.0 MWp.
 - Installation of additional VFDs with bypass distribution panel wherever applicable.
- (b) Investments 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 value addition and being able to control costs.

(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 ₹ 5383 lakhs as against ₹ 6775 Lakhs in the previous year.

(b) Total foreign exchange used and earned:

Used	₹ 2502 lacs
Earned	₹ 5383 lacs

ANNEXURE TO THE BOARD'S REPORT

Annexure II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2019

[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	04.12.1979
iii) Name of the Company	Ludlow Jute & Specialities Limited
iv) Category / Sub-Category of the Company	Company Limited by shares
v) Address of the Registered office and contact details	KCI Plaza, 4 th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata 700019 Telephone : (033) 4050 6300/6330/31/32 Fax Number : 91-33-4050-6333 Email Address : info@ludlowjute.com Website : www.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 383 Lake Gardens, 1st Floor, Kolkata – 700 045 Telephone : (033) 4072 4051/52/53 Fax Number : (033) 4072 4050 E-mail ID: mcssta@rediffmail.com Website: www.mcsregistrar.com CIN: U67120WB2011PLC165872

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	13139	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.	RV Investment & Dealers Limited KCI Plaza, 7th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata – 700 019	U65993WB1972PLC028595	Holding	62.35	2(46)

ANNEXURE TO THE BOARD'S REPORT

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual/ HUF	10300	-	10300	0.0956	10300	-	10300	0.0956	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7228908	-	7228908	67.1013	7228908	-	7228908	67.1013	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub - Total (A) (1):-	7239208	-	7239208	67.1969	7239208	-	7239208	67.1969	-
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) +(A)(2)	7239208	-	7239208	67.1969	7239208	-	7239208	67.1969	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	500	500	0.0046	-	500	500	0.0046	-
c) Central Govt.	217811	-	217811	2.0218	217811	-	217811	2.0218	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	217811	500	500	0.0264	217811	500	218311	2.0264	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	331080	15500	346580	3.2171	317134	15500	332634	3.0874	0.1297
ii) Overseas	35689	-	35689	0.3313	45635	-	45635	0.4236	0.0923
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	749975	1487047	2237022	20.7649	708983	1565167	2274150	21.1094	0.3445
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	696300	696300	6.4633	-	663172	663172	6.1558	0.3075
c) Others	10	-	10	0.0001	10	-	10	0.0001	-
Sub-Total – B (2)	1116754	2198847	3315601	30.7767	1071762	2243839	3315601	30.7766	-
Total Public Shareholding (B) = (B)(1)+ (B)(2)	1334565	2199347	3533912	32.8031	1289573	2244339	3533912	32.8031	-
C. Shares held by Custodian for GDRs & ADRs									
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8573773	2199347	10773120	100	10048137	724983	10773120	100	-

ANNEXURE TO THE BOARD'S REPORT

ii) Shareholding of Promoters

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

iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change during the year

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

Sl. No	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Investor Education & Protection Fund Authority Ministry of Corporate Affairs	217811	2.0218	217811	2.0218
2.	Manu Gopaldas Chhabria	212156	1.9693	212556	1.9730
3.	MPR Bearing and Investment Pvt. Ltd.	114118	1.0593	160421	1.4891
4.	Dr. Ramesh Chimanlal Shah	59000	0.5477	59000	0.5477
5.	Ruby Amin Merchant	53000	0.4920	53000	0.4920
6.	Om Nath Garg	50253	0.4665	50253	0.4665
7.	Madhu Manu Chhabria	49336	0.4580	49336	0.4580
8.	West Range Properties Pvt. Ltd.	47000	0.4363	35670	0.3311
9.	Cyrus Shavak Patel	45000	0.4177	45000	0.4177
10.	Amin Hasanali Merchant	31640	0.2937	31640	0.2937

v) Shareholding of Directors and Key Managerial Personnel

Sl.No.	For Each of the Directors and KMP 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.	Rajya Vardhan Kanoria	10300	0.0956	10300	0.0956
2.	Satish Kapur	1000	0.0092	1000	0.0092
3.	Ajay Kumar Todi*	500	0.0050	-	-

* resigned w.e.f. 15th November 2018

ANNEXURE TO THE BOARD'S REPORT

vi) INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1) Principal Amount	32.87	30.83	-	63.70
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.25	-	-	0.25
Total (1+2+3)	33.12	30.83	-	63.95
Change in Indebtedness during the financial year				
+ Addition	41.69	-	-	41.69
- Reduction	-	30.83	-	30.83
Net Change	41.69	(30.83)	-	10.86
Indebtedness at the end of the financial year				
1) Principal Amount	74.53	-	-	74.53
2) Interest due but not paid	-	-	-	-
3) Interest accrued but not due	0.28	-	-	0.28
Total (1+2+3)	74.81	-	-	74.81

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 ₹)
		Ajay Kumar Todi (upto 15.11.2018)	Tonmoy Bera (w.e.f. 01.02.2019)	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30,00,000	6,00,000	36,00,000
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	27,50,000	1,50,000	29,00,000
	c) Profits in lieu or salary under Section 17(3) of the Income Tax Act, 1961	NIL		NIL
2.	Stock option	NIL		NIL
3.	Sweat Equity	NIL		NIL
4.	Commission			
	- As % of Profit	1,18,186	31,516	149,702
	- Others Specify	NIL	NIL	NIL
5.	Others, please specify			
	Provident Fund & Other Funds	3,00,000	60,000	3,60,000
	Gratuity	9,23,077	-	9,23,077
	Leave Pay	12,00,000	-	12,00,000
	Performance Bonus	-	-	-
	Total (A)	82,91,263	8,41,516	91,32,779

ANNEXURE TO THE BOARD'S REPORT

B. Remuneration of other Directors:

(i) Independent Directors

SL. No.	Particulars of Remuneration	NAME OF DIRECTORS								TOTAL AMOUNT
		Mr. Rajya Vardhan Kanoria	Mr. Jugal Kishore Bhagat	Mr. Biswajit Choudhuri	Mr. Satish Kapur	Ms. Nayantara Palchoudhuri	Mr. Bharat Kumar Jalan	Mr. Arun Charan Mukherjee	Mr. Iswari Prasad Poddar	
1	Independent Directors									
	• Fee for attending board committee meetings	-	1,58,000	1,60,000	1,40,000	1,40,000	1,30,000	30,000	48,000	8,06,000
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	-	1,58,000	1,60,000	1,40,000	1,40,000	1,30,000	30,000	48,000	8,06,000
2	Other Non-Executive Directors									
	• Fee for attending board committee meetings	80,000	-	-	-	-	-	-	-	80,000
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	80,000	-	-	-	-	-	-	-	80,000
	Total (B) = (1 + 2)	80,000	1,58,000	1,60,000	1,40,000	1,40,000	1,30,000	30,000	48,000	8,86,000

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

SI.No	Particulars of Remuneration	Name of the Key Managerial Personnel		Total Amount (in ₹)
		Mr. R.K. Gupta CFO	Ms. Madhuri Pandey CS	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	960,000	2,13,259	11,73,259
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	8,51,992	NIL	8,51,992
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- As % of Profit	NIL	NIL	NIL
	- Others Specify	NIL	NIL	NIL
5.	Others, (please specify) Contribution to Provident Fund	96,000	21,326	1,17,326
	Total (C)	19,07,992	2,34,585	21,42,577

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

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE III

Secretarial Audit Report

For the financial year ended 31st March 2019

[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, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by Ludlow Jute & Specialities Limited ("the Company"), for the Financial Year ended 31st March, 2019, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) The Foreign Exchange Management Act, 1999 and the rules & regulations made thereunder;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- 6) Other applicable Acts –
 - i. The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 - ii. Employees' State Insurance Act, 1948;
 - iii. Factories Act, 1948;
 - iv. Indian Contract Act, 1872;
 - v. Income Tax Act, 1961 and Indian Tax Laws;
 - vi. Industrial Dispute Act, 1947;
 - vii. The Maternity Benefits Act, 1948;
 - viii. The Payment of Bonus Act, 1965;
 - ix. The Payment of Gratuity Act, 1972;
 - x. The Payment of Wages Act, 1936 and other applicable Labour Laws.

ANNEXURE TO THE BOARD'S REPORT

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

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

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

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

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

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

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

Sd/-

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

Place: Kolkata
Date: 30th April 2018

ANNEXURE TO THE BOARD'S REPORT

ANNEXURE IV

RATIO OF REMUNERATION

(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year;	Mr. Tonmoy Bera – 21.67:1		
(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. Tonmoy Bera, MD: NA Mr. Rajesh Kumar Gupta, CFO: 11% Other Directors do not draw remuneration		
(iii)	The percentage increase in the median remuneration of employees in the Financial Year;	9.46%		
(iv)	The number of permanent employees on the rolls of Company;	672 employees as on 31.03.2019		
(v)	The explanation on the relationship between average increase in remuneration and Company performance;	Average increase in remuneration of all employees was 9.79% for the year 2018-19. The increment is as per the terms of employment and based on the performance during the preceding year.		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	The increase in remuneration of the Chief Financial Officer and Company Secretary are made partly on the basis of their performance and partly on the basis of Company's performance.		
			31.03.2019	31.03.2018
(vii) a.	Variations in the market capitalisation of the Company;	Market Capitalisation (₹ in lacs):	6625.47	9017.10
b.	Price earnings ratio at the closing date of the current financial year and previous financial year;	Price Earnings Ratio :	42.71:1	50.42:1
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 ₹)	61.50	83.70
(viii)	Average percentile increases 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 4.83% Average Salary increase of managerial employees is 9.79%		
(ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Same as in (vi) above		
(x)	The key parameters for any variable component of remuneration availed by the directors;	All employees including the Managing Director's entitlement to incentive has a variable component which is based on the individual's performance and Company's financial performance. Other components of remuneration are not variable during a particular year.		
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	No employee received remuneration higher than Managing Director		
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended March, 2019 is as per the Remuneration Policy of the Company		

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**ANNEXURE V**

To the Members of
Ludlow Jute & Specialities Limited

1. We have examined the compliance of conditions of Corporate Governance by Ludlow Jute & Specialities Limited ("the Company"), for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2019.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **JKVS & CO.**
Chartered Accountants
Firm Registration No. 318086E

5A, Nandalal Jew Road,
Kolkata - 700 026
Date: May 03, 2019

SUPRIO GHATAK
Partner
Membership No. 051889

REPORT ON CORPORATE GOVERNANCE

Your Company has complied with the provisions of Corporate Governance as stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

A report on the implementation of Corporate Governance by the Company as per the regulations is given below:

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 emphasizes the need for transparency and accountability in its transactions in order to protect the interests of all stakeholders.

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

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

2. BOARD OF DIRECTORS

2.1 Composition of the Board

The Board comprised such number of Non-Executive, Executive and Independent Directors as required under applicable legislation. As on date of this Report, the Board consists of Seven Directors comprising one Non-Executive Chairman, five 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, 2019 by each Director in other Companies are as under:

Name of Directors	Attendance at		Category of Directors	**Other Directorship	***Other Committee Chairmanship	***Other Committee Membership
	Board Meetings	Last AGM				
Mr. Rajya Vardhan Kanoria (DIN: 00003792)	4	Yes	Promoter – Non-Executive – Non Independent Chairman	8	3	5
Mr. Jugal Kishore Bhagat (DIN: 00055972)	4	Yes	Non-Executive – Independent	6	1	3
Mr. Biswajit Choudhuri (DIN: 00149018)	4	Yes	Non-Executive – Independent	4	5	2
Mr. Satish Kapur (DIN: 00051163)	4	Yes	Non-Executive – Independent	6	-	9
Ms. Nayantara Palchoudhuri (DIN: 00581440)	3	Yes	Non-Executive-Independent	7	-	6
Mr. Bharat Kumar Jalan (DIN: 00876208)	4	Yes	Non-Executive – Independent	3	-	1
Mr. Tonmoy Bera (DIN: 08342972)*	1	N.A.	Executive - Managing Director	1	-	1

* appointed with effect from 1st February, 2019.

**This excludes Directorship held in Indian Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013.

***Committee refers to Audit Committee and Stakeholders Relationship Committee.

REPORT ON CORPORATE GOVERNANCE

Name of Directors	Name of other listed entities where the person is a director	Category of Directorship*
Mr. Rajya Vardhan Kanoria	Kanoria Chemicals & Industries Limited Nestle India Limited JK Paper Limited	MD ID NED ID NED
Mr. Jugal Kishore Bhagat	Ginni Filaments Limited	ID NED
Mr. Biswajit Choudhuri	Godawari Power And Ispat Limited	ID NED
Mr. Satish Kapur	Jayshree Chemicals Limited	ID NED
Ms. Nayantara Palchoudhuri	Rossell India Limited Tide Water Oil Co India Limited Vesuvius India Limited	ID NED ID NED ID NED
Mr. Bharat Kumar Jalan	The India Jute And Industries Limited Hindusthan Mercantile Limited	MD ID NED
Mr. Tonmoy Bera	-	-

* Abbreviations: ID – Independent Director, NED – Non-Executive Director, MD – Managing Director

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

- 2.1.1** Mr. Lalit G. Toolsidass, Independent Director on the Board of the Company, since 28th June, 2007 left for his heavenly abode on 18th April 2018. The Board places on record the supreme contribution made by Late Lalit. G. Toolsidass to the Company as Independent Director on the Board and various Committees.
- 2.1.2** Mr. Arun Charan Mukherji, Independent Director on the Board of the Company, resigned with effect from 8th May 2018. The Board places on record its deep appreciation of the invaluable contributions made by Mr. Mukherjee during his tenure as Director.
- 2.1.3** Mr. Ajay Kumar Todi, Managing Director of the Company, had resigned with effect from 15th November 2018. The Board places on record its deep appreciation of the invaluable contributions made by Mr. Todi during his tenure as Managing Director.
- 2.1.4** Mr. Iswari Prasad Poddar, Independent Director on the Board of the Company, resigned with effect from 18th January 2019. The Board places on record its deep appreciation of the invaluable contributions made by Mr. Poddar during his tenure as Director.
- 2.1.5** Mr. Tonmoy Bera was appointed as Managing Director of the Company with effect from 1st February 2019.

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 taken on record in the subsequent Board meeting.

The Notice, Agenda along with the notes for the Board Meeting is given to the Directors at least seven days before the date of the meeting.

The Non-Executive Chairman and the Managing Director appraise the Board on the overall performance of the Company at every Board meeting. The Board complies with all the responsibilities as per applicable laws, rules and regulations. 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 takes note of the Compliance Certificate duly signed by the Managing Director and/or Chief Financial Officer confirming compliance of various statutory and legal formalities on a quarterly basis.

The Board of Directors met 4 (Four) times i.e., 07.05.2018, 09.08.2018, 01.11.2018 & 01.02.2019 during this financial year. The interval between two consecutive meetings was within the maximum time gap allowed by the Companies Act, 2013.

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 were placed before the Board, and were duly taken on record.

REPORT ON CORPORATE GOVERNANCE

2.4 Disclosure of relationships between Directors inter-se

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

2.5 A chart or matrix setting out the skills / expertise / competence of the Board of Directors

The list of core skills / expertise / competence identified by the Board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are as under:-

Sl. No.	Areas of core skills/expertise/competence	Available with the Board
1	Manufacturing of Jute Goods	Yes
2	Marketing	Yes
3	Accountancy	Yes
4	Finance	Yes
5	Law	Yes
6	Risk Management	Yes

The Board of directors have the necessary skills / expertise / competencies in all the above mentioned areas.

3. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Biswajit Choudhuri, Mr. Satish Kapur, Ms. Nayantara Palchoudhuri & Mr. Bharat Kumar Jalan, Independent Director of the Company. Mr. Biswajit Choudhuri is the Chairman of the Committee. The Members of the Committee have requisite knowledge of finance, accounts and Company law.

The Audit Committee's constitution, terms of reference and role are in compliance with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The terms of reference of the Audit Committee inter alia include the following:-

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

In addition, to carry out any other function as may be referred, from time to time, by the Board of Directors or enforced by any statutory notification/amendment or modification as may be applicable.

The Company Secretary acts as the Secretary of the Audit Committee.

During the financial year 2018-19, the Committee met four times; on 07.05.2018, 09.08.2018, 01.11.2018 & 01.02.2019.

Attendance of Members at Audit Committee Meetings held during the year 2018-19:

Name of Director	No. of Meetings Held	No. of Meetings attended
Mr. Biswajit Choudhuri	4	4
Mr. Iswari Prasad Poddar#		1
Mr. Arun Charan Mukherji#		1
Mr. Satish Kapur*		3
Ms. Nayantara Palchoudhuri*		2
Mr. Bharat Kumar Jalan*		3

*appointed with effect from 7th May 2018.

Refer para 2.1.2 & 2.1.4

REPORT ON CORPORATE GOVERNANCE

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprises of Mr. Jugal Kishore Bhagat, Ms. Nayantara Palchoudhuri, Mr. Satish Kapur, Independent Director & Mr. Tonmoy Bera, Managing Director of the Company. Mr. Jugal Kishore Bhagat is the Chairman of the Committee.

The Stakeholders' Relationship Committee's constitution, terms of reference and role are in compliance with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The terms of reference of the Stakeholders' Relationship Committee inter alia include the following:-

- To consider and resolve the grievances of shareholders of the Company, including complaints related to transfer / transmission of shares, issue of duplicate share certificate, DEMAT / REMAT of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- To carry out any other function as is referred to the Committee by the Board of Directors from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee and has been delegated authority to attend to Share transfer formalities at least once in a fortnight.

There were no outstanding complaints at the beginning of the year. During the year under review, 110 complaints were received which were reviewed, addressed and replied to the satisfaction of shareholders. There were no outstanding complaints at the end of the year.

During the financial year 2018-19, the Committee met twelve times; on 30.04.2018, 31.05.2018, 30.06.2018, 31.07.2018, 31.08.2018, 29.09.2018, 31.10.2018, 30.11.2018, 31.12.2018, 31.01.2019, 28.02.2019 & 31.03.2019.

Attendance of Members at Stakeholders' Relationship Committee Meetings held during the year 2018-19:

Name of Director	No. of Meetings Held	No. of Meetings attended
Mr. Jugal Kishore Bhagat	12	12
Mr. Iswari Prasad Poddar#		1
Mr. Ajay Kumar Todi#		7
Ms. Nayantara Palchoudhuri		11
Mr. Satish Kapur*		-
Mr. Tonmoy Bera*		2

* became a member w.e.f. 1st February 2019

Refer para 2.1.3 & 2.1.4

5. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee comprises of Mr. Biswajit Choudhuri, Mr. Jugal Kishore Bhagat, Mr. Satish Kapur, & Mr. Bharat Kumar Jalan, Independent Director of the Company. Mr. Biswajit Choudhuri is the Chairman of the Committee.

The Nomination & Remuneration Committee's constitution, terms of reference and role are in compliance with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The terms of reference of the Nomination & Remuneration Committee inter alia include 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.

The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

During the financial year 2018-19, the Committee met two times; on 07.05.2018 & 01.02.2019.

REPORT ON CORPORATE GOVERNANCE

Attendance of Members at Nomination & Remuneration Committee Meetings held during the year 2018-19:

Name of Director	No. of Meetings Held	No. of Meetings attended
Mr. Biswajit Choudhuri	2	2
Mr. Iswari Prasad Poddar#		1
Mr. Jugal Kishore Bhagat*		1
Mr. Satish Kapur*		1
Mr. Bharat Kumar Jalan**		-

* became a member w.e.f. 7th May 2018

**became a member w.e.f. 1st February 2019

Refer para 2.1.4

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.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee comprises of Mr. Jugal Kishore Bhagat, Ms. Nayantara Palchoudhuri, Independent Directors of the Company, Mr. Rajya Vardhan Kanoria, Non-Executive Chairman & Mr. Tonmoy Bera, Managing Director of the Company. Mr. Jugal Kishore Bhagat is the Chairman of the Committee.

The Corporate Social Responsibility Committee's constitution, terms of reference and role are in compliance with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The terms of reference of the Corporate Social Responsibility Committee inter alia include the following:-

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- To recommend to the Board the amount of expenditure to be incurred on the activities as referred to in clause (i) above;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.

In addition, to carry out any other function as may be referred from time to time by the Board of Directors or enforced by any statutory notification / amendment or modification as may be applicable.

During the financial year 2018-19, the Committee met four times; on 07.05.2018, 09.08.2018, 01.11.2018 & 01.02.2019.

Attendance of Members at Corporate Social Responsibility Committee Meetings held during the year 2018-19:

Name of Director	No. of Meetings Held	No. of Meetings attended
Mr. Jugal Kishore Bhagat	4	4
Mr. Rajya Vardhan Kanoria		4
Ms. Nayantara Palchoudhuri		3
Mr. Ajay Kumar Todi#		3
Mr. Tonmoy Bera*		-

* became a member w.e.f. 1st February 2019

Refer para 2.1.3

7. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of Mr. Satish Kapur, Independent Director, Mr. Tonmoy Bera, Managing Director & Mr. Rajesh Kumar Gupta, Chief Financial Officer of the Company. Mr. Satish Kapur is the Chairman of the Committee. Mr. Ajay Kumar Todi was a member to the Committee earlier (refer para 2.1.3)

The Risk Management Committee assesses the significant risks that might impact the achievement of the Company's objectives and develops risk management strategies to mitigate/minimise identified risks and designs appropriate risk management procedures. The Company has a Comprehensive Enterprise Risk Management Policy at work which is reviewed periodically by the management.

During the financial year 2018-19, the Committee met on 09.08.2018, wherein all members were present.

8. REMUNERATION OF DIRECTORS

The remuneration payable to the Executive Director(s) is determined by the Board upon the recommendation of the Nomination and Remuneration Committee. This is subject to the approval of the shareholders at the General Meeting. The

REPORT ON CORPORATE GOVERNANCE

Non-Executive Directors do not draw any remuneration from the Company except sitting fees for attending the Meeting(s) of the Board and the Committees where they are members. There are no stock option benefits to any of the Directors.

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 Committees of which they are member) 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/committee meetings, general meetings, court convened meetings, meetings with shareholders / creditors/ management, site visits, induction and training (organized 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 i.e., www.ludlowjute.com

Details of Sitting Fees Paid to Non-Executive Directors for the Financial Year ended 31st March 2019:

Name of Director	Sitting Fees*	Commission	Service Contract	Notice Period	Total
Mr. Rajya Vardhan Kanoria	80,000	N.A.	N.A.	N.A.	80,000
Mr. Jugal Kishore Bhagat	1,58,000	N.A.	N.A.	N.A.	1,58,000
Mr. Biswajit Choudhuri	1,60,000	N.A.	N.A.	N.A.	1,60,000
Mr. Satish Kapur	1,40,000	N.A.	N.A.	N.A.	1,40,000
Ms. Nayantara Palchoudhuri	1,40,000	N.A.	N.A.	N.A.	1,40,000
Mr. Bharat Kumar Jalan	1,30,000	N.A.	N.A.	N.A.	1,30,000
Mr. Lalit G. Toolsidass	-	N.A.	N.A.	N.A.	-
Mr. Arun Charan Mukherji	30,000	N.A.	N.A.	N.A.	30,000
Mr. Iswari Prasad Poddar	48,000	N.A.	N.A.	N.A.	48,000

* includes sitting fees paid for committee meetings.

Details of Remuneration paid to Executive Directors for the Financial Year ended 31st March 2019:

Name of Director	Salary	Perquisites & other benefits	Commission	Contribution to Provident Fund	Gratuity ****	Leave Encashment ****	Total
Mr. Tonmoy Bera**	6,00,000	1,50,000	31,516	60,000	-	-	8,41,516
Mr. Ajay Kumar Todj***	30,00,000	27,50,000	1,18,186	3,00,000	9,23,077	12,00,000	82,91,263

** Mr. Bera is appointed w.e.f. 1st February 2019 for a period of 3 years.

*** Resigned w.e.f. 15th November 2018.

**** Actuals paid to the Director at the time of resignation.

9. INDEPENDENT DIRECTORS' MEETING

The Company has complied with the definition of Independence as per section 149 read with the provisions of Schedule IV of the Companies Act, 2013 and applicable regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. They also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

Whenever new Non-Executive and Independent Directors are included in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy. The Company has adopted a Familiarization Programme for Independent Directors which is uploaded on the Company's website at www.ludlowjute.com

The Independent Directors held a Meeting on 19th December, 2018 without the presence of the Executive Directors and Management representatives.

10. POLICY

The various policies of the Company can be accessed on the website of the company at www.ludlowjute.com/policies.html

REPORT ON CORPORATE GOVERNANCE

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

The Board of Directors had laid down a Code of Conduct for its Members and Senior Managerial Personnel of the Company. The Code of Conduct can be accessed on the website of the company at www.ludlowjute.com. All the Directors and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, as envisaged in Regulation 26(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchange. A declaration to this effect signed by the Managing Director forms part of the Annual Report.

12. MECHANISM TO PREVENT INSIDER TRADING

In pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a Code of Conduct to regulate, monitor and report trading by designated persons, which inter alia, prohibits trading in the shares of the Company by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company.

13. DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31ST MARCH, 2019

Name of the Directors	No. of Shares	Shareholding %
1. Mr. Rajya Vardhan Kanoria	10300	0.10
2. Mr. Satish Kapur	1000	0.0092

14. SUBSIDIARY COMPANIES

The Company has no subsidiary as on 31st March 2019.

15. GENERAL BODY MEETINGS

15.1 The last three Annual General Meetings of the Company were held as per details given below:

Year	AGM	Date	Time	Venue	No. of Special Resolution(s) passed
2017-18	39 th	13.09.2018	11:00 a.m.	Rotary Sadan, 94/2	Nil
2016-17	38 th	04.09.2017	11:00 a.m.	Chowringhee Road, Kolkata – 700 020	Nil
2015-16	37 th	01.09.2016	03:00 p.m.		1

During the financial year 2018-19, 4 (four) resolutions were passed by postal ballot duly held on 1st February 2019. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by Postal Ballot.

16. DISCLOSURES

16.1 Related Party Transactions

During the year under review, the Company had entered into certain transactions with its related parties. All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis.

None of the transactions with any of the related parties were in conflict with the Company's interest. Suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in Note No. 42 to the Financial Statements, forming part of the Annual Report. There are no pecuniary relationships or transactions with the non-executive Director and Independent Directors. The Policy on Related Party Transactions as approved by the Board of Directors may be accessed on the Company's website at www.ludlowjute.com

16.2 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.

17. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results were taken on record and approved within the prescribed time limits. The approved results were thereafter sent to the Stock Exchanges and also posted on website of the Company for the information of shareholders/investors.

The financial results were also published in leading dailies "Business Standard" (English newspaper) and "Ek Din" (vernacular language - Bengali newspapers) within 48 hours of the Meeting.

As the Company publishes its quarterly, half-yearly and yearly results in English newspapers having nationwide circulation and in a vernacular language (Bengali), the details of financial performance is not sent individually to each shareholder of the Company.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion And Analysis Report forms part of the Board's Report.

REPORT ON CORPORATE GOVERNANCE

19. CEO / CFO CERTIFICATION

As required under Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding review of financial statement for the year under review, compliance with the accounting standards and applicable laws and regulations, maintenance of internal control for financial reporting and accounting policies.

20. 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 the mechanism.

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

21. TOTAL FEES PAID TO AUDITORS

Total fees for all the services paid by the Company to the Statutory Auditor during the year amounted to Rs. 8.35 lacs.

22. COMPLIANCE OF MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015.

Adoption of non-mandatory requirements of the SEBI (LODR), Regulations, 2015 are being reviewed by the Board from time to time and adopted wherever necessary.

Following is the status of the compliance with the non-mandatory requirements of the said Regulations:

- **Audit Opinion:**

For the year under review, the Auditors have expressed their un-modified opinion on the financial statements of the Company.

- **Reporting of Internal Auditor:**

The Internal Auditor reports directly to the Audit Committee. The same is reported by briefing the Audit Committee through observations, review, comments and recommendations etc. in the Internal Audit Reports by the Internal Auditor of the Company.

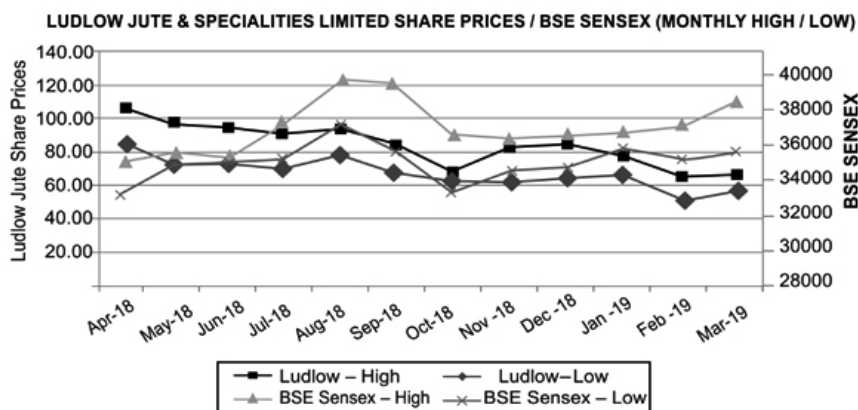
23. GENERAL SHAREHOLDERS INFORMATION

1.	Registered Office & Contact Details	KCI Plaza, 4 th Floor, 23C Ashutosh Chowdhury Avenue, Kolkata – 700 019 Email: info@ludlowjute.com investors.grievance@ludlowjute.com Website: www.ludlowjute.com Ph. No. (033) 4050 6300 Fax No. (033) 4050 6333
2.	Annual General Meeting • Date and Time • Venue	4 th September 2019 at 11:00 A.M. Shripati Singhanian Hall
3.	Financial Year <u>Financial Calendar</u> • Financial Results for the: quarter ended 30 th June 2018 quarter ended 30 th September 2018 quarter ended 31 st December 2018 year ended 31 st March 2019 • Annual General Meeting	1 st April 2018 to 31 st March 2019 9 th August 2018 1 st November 2018 1 st February 2019 3 rd May 2019 4 th September 2019
4.	Date of Book Closure	29 th August 2019 to 4 th September 2019 (both days inclusive)
5.	Dividend Payment Date	On or after 04.09.2019 (within the statutory period of 30 days), subject to shareholders approval
6.	Listing on Stock Exchange	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Note: Listing fee for the year 2019-20 has been paid to the Stock Exchange
7.	Script Code	526179

REPORT ON CORPORATE GOVERNANCE

8.	Stock Price Data (in Rs./per share)	BSE	
		High	Low
		Months	
	April 2018	103	84.15
	May 2018	96.8	76
	June 2018	95.9	76.15
	July 2018	94.8	76
	August 2018	95.8	78.55
	September 2018	88	65.2
	October 2018	74	63.45
	November 2018	81.65	62
	December 2018	81.45	63.5
	January 2019	79.4	65.05
	February 2019	68.25	53.35
	March 2019	68.7	58.65

Stock Performance in Comparison to broad based indices



9.	Registrar & Share Transfer Agent	MCS Share Transfer Agent Limited 383 Lake Gardens, 1 st Floor, Kolkata – 700 045 E-mail id: mcssta@redifmail.com Phone No. (033) 4072 4051/52/53 Fax No. (033) 4072 4050
10.	Share Transfer System	The Company's shares are in compulsory DEMAT segment. No. share transfer in physical mode can take place w.e.f. 1 st April 2019. Option letters for simultaneous DEMAT of shares are also being sent to the shareholders. The share certificates, duly endorsed, are being returned immediately after the expiry of 30 days from the date of option letter to those who have not opted for simultaneous transfer cum dematerialization.

11 Distribution of Equity Shareholding as on 31 st March 2019					
	No. of Shares (Range defined)	No. of Equity Shares held	% of Shareholding	No. of Shareholders	% of Shareholders
	1 - 500	1215192	11.2799	9250	92.0306
	501 - 1000	376338	3.4933	453	4.5070
	1001 - 2000	283375	2.6304	187	1.8605
	2001 - 3000	169058	1.5693	66	0.6567
	3001 - 4000	66620	0.6184	19	0.1890
	4001 - 5000	79959	0.7422	17	0.1691

REPORT ON CORPORATE GOVERNANCE

	No. of Shares (Range defined)	No. of Equity Shares held	% of Shareholding	No. of Shareholders	% of Shareholders
	5001 -10000	249338	2.3144	34	0.3383
	10001 - 50000	397594	3.6906	17	0.1691
	50001-100000	162253	1.5061	3	0.0298
	And above	7773393	72.1554	5	0.0497
	Total	10773120	100.00	10051	100.00

12 Equity Shareholding Pattern as on 31 st March 2019			
	Category	No. of Shares	% of Shareholding
A	Promoters Holding		
a)	Indian Promoters	7239208	67.1969
b)	Foreign Promoters	-	
	Sub Total (A)	7239208	67.1969
B	Non-Promoters Holding		
a)	Banks, Financial Institutions/ Insurance Companies	500	0.0046
b)	Private Corporate Bodies	332634	3.0876
c)	Govt.	217811	2.0218
d)	Resident Individuals	2937322	27.2653
e)	NRI/ OCB	45635	0.4236
f)	Trust & Foundations	10	0.0001
	Sub Total (B)	3533912	32.8030
	Grand Total (A+B)	10773120	100.00

13	Dematerialisation of Shares	93.27% i.e. 10,048,137 equity shares out of total Equity Capital are held in dematerialised form with NSDL and CDSL as on 31 st March 2019.
14	Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely to impact on equity	Not Issued
15	Commodity price risk or foreign exchange risk and hedging activities	The Company has proper system to monitor the foreign exchange exposures on regular basis and appropriate steps are taken by the management to limit the risks of adverse exchange rate movement by entering into forward contract for hedging foreign exchange exposure against exports and imports. The details of hedged and unhedged foreign currency exposure are reported at Note No. 50(c)(i) to the financial statements for the year ended 31st March, 2019
16	Plant Location	Chengail, Howrah -711 308, West Bengal, India Phone: (033) 2642-8366 Fax: (033) 2642-8367
17	Address for correspondence: For Investor's matters For queries related to Financial matters	Company Secretary Same as registered office address Chief Financial Officer Same as registered office address

For and on behalf of the Board

For and on behalf of the Board

Date: 3rd May, 2019
Place: Kolkata

Rajya Vardhan Kanoria
Chairman
DIN: 00003792

Tonmoy Bera
Managing Director
DIN: 08342972

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018)

To,
The Members of
Ludlow Jute & Specialities Limited
KCI Plaza, 4th Floor,
23C, Ashutosh Chowdhury Avenue,
Kolkata WB 700019 IN

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Ludlow Jute & Specialities Limited having CIN L65993WB1979PLC032394 and having registered office at KCI Plaza, 4th Floor, 23C, Ashutosh Chowdhury Avenue, Kolkata WB 700019 IN (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

DIN	Name of Director	Present Residential Address	Designation	Date of Appointment
00003792	Rajya Vardhan Kanoria	A-45,Vasant Marg Vasant Vihar Delhi 110057 DL IN	Director	08/11/2006
00051163	Satish Kapur	4 J K Lane Ballygunge Kolkata 700019 WB IN	Director	29/01/2009
00055972	Jugal Kishore Bhagat	12/1,Pretoria Street Kolkata 700071 WB IN	Director	31/01/2000
00149018	Biswajit Choudhuri	14/3/3 Nandalal Jew Road Kalighat S.O Kolkata 700026 WB IN	Director	28/06/2007
00581440	Nayantara Palchoudhuri	64, Lake Place Sarat Bose Road (Post Office) Kolkata 700029 WB IN	Director	24/09/2014
00876208	Bharat Kumar Jalan	18 Ballygunge Park Road Kolkata 700019 WB IN	Director	07/05/2018
08342972	Tonmoy Bera	P/B/4, Parboni Apartment Gt Road, Rather Sarak, Chandannagar Hooghly 712136 WB IN	Managing Director	01/02/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: KOLKATA
Date: 02.05.2019

DEEPIKA SRIVASTAV
Membership No.: A28526
CP No.: 13305

COMPLIANCE CERTIFICATE

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

Date : 03.05.2019

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

Dear Sir(s),

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 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. 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 Company's internal control system over financial reporting.

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

Tonmoy Bera
Managing Director
DIN No. 08342972

Rajesh Kumar Gupta
Chief Financial Officer

DECLARATION AFFIRMING COMPLIANCE WITH CODE OF CONDUCT

In terms of the Listing Regulations, I hereby confirm and declare that, all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the respective Code of Conduct, as applicable to them for the year ended 31st March, 2019.

For and on behalf of the Board

Place: Kolkata
Date: 3rd May, 2019

Tonmoy Bera
Managing Director
DIN : 08342972

INDEPENDENT AUDITORS' REPORT

To The Members of
Ludlow Jute & Specialities Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Ludlow Jute & Specialities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
<p>Inventory Valuation & existence (Refer to note 11 to the financial statements)</p> <p>As described in the accounting policies in note 3.6 to the financial statements, inventories are carried at the lower of cost and net realisable value. Inventories valuation and existence is a significant audit risk. This could result in an overstatement of the value of the inventories if the cost is higher than the net realisable value. Furthermore, the assessment and application of inventories provisions are subject to significant management judgment.</p>	<p>i) We completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk</p> <p>ii) We assessed the adequacy of controls over the existence of Inventory of Finished goods and raw materials</p> <p>iii) We also tested sample of inventories items to ensure they were held at the lower of cost and net realisable value.</p> <p>Our Observation - Based on the audit procedures performed, we did not identify any significant deviation to the process of Inventory valuation.</p>
<p>Assessment of litigations in respect of Taxes & Duties matter [Refer to note 38.1(a & b) to the financial statements]</p> <p>The company has litigations in respect of Taxes & Duties matter which have been disclosed under Contingent liabilities as at 31st March, 2019.</p> <p>Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognized or disclosure to be made.</p>	<p>i) We obtained a detailed understanding, assessed and tested the design and operating effectiveness of controls surrounding assessment of litigations.</p> <p>ii) We discussed with the management the recent developments and status of these matters. We have also gone through recent judicial pronouncements, wherever relevant, to establish appropriateness of disclosures.</p> <p>iii) We performed our assessment on the underlying calculations supporting the disclosure made in the financial statements.</p> <p>iv) We assessed the adequacy of the Company's disclosures.</p> <p>Our Observation - Based on the audit procedures performed, we did not identify any significant deviation to the assessment made by the management in respect of disclosures made under Contingent liabilities in respect of Taxes & Duties matters in the financial statements.</p>

INDEPENDENT AUDITORS' REPORT

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act; and
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, Refer Note 38 (i);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2019.

For **JKVS & CO**
Chartered Accountants
Firm Registration No. 318086E

SUPRIO GHATAK
Partner
(Membership No.051889)

Kolkata
Dated: 3rd May, 2019

ANNEXURE '1' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report to the Members of Ludlow Jute & Specialities Limited of even date)

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. 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, Goods & Service Tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March 2019 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, 2019 which have not been deposited on account of any dispute and the forum where the disputes are pending are as under:

SI No	Nature of Dues	Gross Amount Outstanding (in ₹ lakhs)	Paid under protest (in ₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
1	Sales Tax as per WBST Act 1994	22.20	11.20	1999-00 & 2004-05	WBCT (A & R) Board
2	CST Act 1956	1.54	NIL		WBCT (A & R) Board
3	WB VAT Act 2003	35.02	Nil	2005-06 to 2015-16	WBCT (A & R) Board & Appellate Forum
4	CST Act 1956	774.04	36.99		WBCT (A & R) Board & Appellate Forum
5	Service Tax	23.66	1.18	2008-09 to 2013-14	Customs, Excise & Service Tax Appellate Tribunal (CESTAT - Kolkata)

ANNEXURE '1' TO THE INDEPENDENT AUDITOR'S REPORT

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

For **JKVS & CO**
Chartered Accountants
Firm Registration No. 318086E

SUPRIO GHATAK
Partner
(Membership No.051889)

Kolkata
Dated: 3rd May, 2019

ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ludlow Jute & Specialities Limited of even date)

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

We have audited the internal financial controls over financial reporting of LUDLOW JUTE & SPECIALITIES LIMITED ("the Company") as of March 31, 2019 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company

ANNEXURE “2” TO THE INDEPENDENT AUDITOR’S REPORT

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 internal financial controls system over financial reporting of the Company.

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 unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **JKVS & CO**
Chartered Accountants
Firm Registration No. 318086E

SUPRIO GHATAK
Partner
(Membership No.051889)

Kolkata
Dated: 3rd May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at April 1, 2018
I. ASSETS			
1) NON CURRENT ASSETS			
a) Property, Plant and Equipment	4	15,113.28	14,566.17
b) Capital Work in Progress	5	387.33	331.09
c) Other Intangible Assets	6	(1)	(1)
d) Investment in Subsidiaries	7	-	113.87
e) Financial Assets			
(i) Investment	7.1	6.29	8.65
(ii) Loans	8	27.96	37.12
f) Non-Current Tax Assets	9	87.00	1.04
g) Other non-current assets	10	246.22	541.52
		15,868.08	15,599.46
2) CURRENT ASSETS			
a) Inventories	11	8,769.23	6,276.04
b) Financial assets			
(i) Trade receivables	12	3,165.15	2,573.90
(ii) Cash and cash equivalents	13	27.01	115.36
(iii) Bank Balances other than Note No. 13 above	13.1	121.13	118.91
(iv) Other financial assets	14	311.69	212.72
d) Other current assets	15	706.68	711.29
		13,100.89	10,008.22
TOTAL ASSETS		28,968.97	25,607.68
II. EQUITY AND LIABILITIES			
1) EQUITY			
a) Equity Share Capital	16	1,079.77	1,079.77
b) Other Equity	17	14,764.38	14,777.74
TOTAL EQUITY		15,844.15	15,857.51
2) LIABILITIES			
i) NON-CURRENT LIABILITIES			
a) Financial liabilities			
(i) Borrowings	18	1,938.62	974.94
b) Provisions	19	170.83	173.53
c) Deferred tax liabilities (Net)	20	193.66	201.17
d) Non-Current Tax Liabilities (Net)	21	46.23	38.80
e) Other Non-current liabilities	22	88.64	53.66
		2,437.98	1,442.10
ii) CURRENT LIABILITIES			
a) Financial liabilities			
(i) Borrowings	23	5,482.81	5,330.79
(ii) Trade payables	24	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,800.02	1,589.23
(iii) Other financial liabilities	25	961.00	935.36
b) Other current liabilities	26	208.18	314.01
c) Provisions	27	234.83	94.22
d) Current Tax Liabilities (Net)	28	-	44.46
		10,686.84	8,308.07
TOTAL LIABILITIES		13,124.82	9,750.17
TOTAL EQUITY AND LIABILITIES		28,968.97	25,607.68
Corporate & General Information	1		
Basis of Accounting	2		
Significant Accounting Policies & Significant Judgements and Key Estimates	3		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.

For **J K V S & Co.**

Chartered Accountants

Firm registration No. 318086E

For and on behalf of the Board

SUPRIO GHATAK

Partner

Membership No. 051889

5A, Nandlal Jew Road, Kolkata - 700026

The 3rd, day of May, 2019

R. K. Gupta

Chief Financial Officer

Pratibha Jaiswal

Company Secretary

Tonmoy Bera

Managing Director

DIN - 08342972

R. V. Kanoria

Non-Executive Chairman

DIN - 00003792

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars		Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
I)	Income			
	Revenue from Operations	29	36,852.76	33,373.75
	Other Income	30	218.77	348.40
	Total Income (I)		37,071.53	33,722.15
II)	Expenses			
	Cost of Materials Consumed	31	21,166.51	18,407.96
	Changes in Inventories of Finished Goods and Work In Progress	32	(170.74)	28.03
	Employee benefits expense	33	8,732.00	8,295.10
	Finance Costs	34	561.18	418.21
	Depreciation and amortization expense	35	561.75	523.24
	Jute Manufacturing Cess		-	77.00
	Other expenses	36	6,002.22	5,675.99
	Total Expenses (II)		36,852.92	33,425.53
III)	Profit before Taxation (I-II)		218.61	296.62
IV)	Tax Expenses	37		
	Current Tax		65.93	115.00
	Deferred Tax		(6.51)	1.25
	For Earlier Years (Net)		3.75	1.03
	Total Tax Expenses (IV)		63.17	117.28
V)	Profit for the year (III-IV)		155.44	179.34
VI)	Other Comprehensive Income (OCI)			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
	Re-Measurement gains/(losses) on defined benefit plans		136.53	262.36
	Income tax effect on above		(45.58)	(86.75)
	Other Comprehensive Income for the year, net of tax		90.95	175.61
VII)	Total Comprehensive Income for the year (V+VI)		246.39	354.95
	Earnings per share - Basic and Diluted (in INR)	40	1.44	1.66
	Corporate & General Information	1		
	Basis of Accounting	2		
	Significant Accounting Policies & Significant Judgements and Key Estimates	3		

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.

For **JKVS & Co.**

Chartered Accountants

Firm registration No. 318086E

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DIN - 00003792

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	For the year ended 31-March-19	For the year ended 31-March-18
A: Cash Flow From Operating Activities		
Net Profit Before Taxes as per Statement of Profit and Loss	218.61	296.62
<u>Adjustments For :</u>		
Depreciation / Amortisation (Net)	561.75	523.24
(Profit)/Loss on Sale/discard of PPE	(29.12)	(10.33)
Finance Cost	561.18	418.21
Excess Depreciation Written Back	-	(0.17)
Bad Debt Written Off	-	22.81
Provision for Bad Debt	-	10.00
Profit on sale in Investments of subsidiaries	(42.45)	-
Interest Income	(3.82)	(8.16)
Income on Government Grant	(15.32)	(23.24)
Net gain on fair value changes on equity instrument	2.36	(0.67)
Dividend received on non current investments	-	(0.05)
Excess provisions and unspent Liabilities Written Back	(5.23)	(69.45)
Operating Profit Before Working Capital Changes	1247.96	1158.81
<u>Movements in Working Capital :</u>		
Decrease / (Increase) in Inventories	(2,493.19)	(351.14)
Decrease / (Increase) in Trade receivables	(568.44)	11.86
Decrease / (Increase) in Loans & Advances and other receivable	(129.84)	(241.13)
(Decrease)/Increase in Trade and Other payable	2,078.45	(342.84)
(Decrease) / Increase in provisions	274.45	162.85
Cash generated from Operating Activities	409.39	398.41
Direct Taxes paid (net of refunds)	(192.67)	(87.17)
Net Cash generated/(used) from Operating Activities	216.72	311.24
B: Cash Flow From Investing Activities		
Purchase of PPE including CWIP and Capital Advances	(828.45)	(1,474.28)
Sale of Property, Plant and Equipment	32.43	19.47
Grant / Subsidy Received	36.35	25.77
Amount deposited as margin money / security	(3.32)	(3.29)
Interest Received	3.82	8.16
(Purchase)/ Sale of Investments	156.33	-
Dividend Received	-	0.05
Net Cash generated/(used) in Investing Activities	(602.84)	(1,424.12)
C: Cash Flow From Financing Activities		
Proceeds / (Repayment) from Long term borrowings(Net)	963.68	783.88
Proceeds / (Repayment)from short term borrowings (Net)	152.02	1,130.99
Interest paid	(558.18)	(400.38)
Dividend Paid	(215.46)	(269.33)
Corporate Dividend Tax Paid	(44.29)	(54.83)
Net Cash generated/(used) from Financing Activities	297.77	1190.33
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	(88.35)	77.45
Cash and Cash Equivalents as at the beginning of the year	115.36	37.91
Cash and Cash Equivalents as at the end of the year	27.01	115.36

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars		For the year ended 31-March-19	For the year ended 31-March-18
1.	Components of cash and cash equivalents		
	Balance with Banks:		
	In Current Accounts	22.50	39.59
	In EEFC Account	-	68.08
	Cash on hand	4.51	7.69
	Cash and Cash Equivalents (Refer Note 13)	27.01	115.36

2. Statement of Reconciliation of Financing Activity

Particulars	Liabilities from financing activities	
	Term Loan from Banks	Current Borrowings
Balance as at April 01, 2018	1,005.12	5,330.79
Interest accrued and due as at April 01, 2018	-	25.03
Cash Flow (Net)	963.68	152.02
Non Cash Changes		
Fair Value Changes	-	-
Others*	2.55	-
Interest Expense	132.46	426.98
Interest Paid	(134.20)	(423.98)
Balance as at March 31, 2019		
Principal	1,969.61	5,482.81
Interest accrued and due	-	28.03
	1,969.61	5,510.84

* Represents amortisation of debt issuance cost relating to Term Loan

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows';
- The composition of Cash & Cash Equivalent has been determined based on the Accounting Policy No. 3.13;
- Figures for the previous year have been regrouped wherever considered necessary;
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities;
- The Notes are an integral part of Financial Statements;

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.

For **JKVS & Co.**

Chartered Accountants

Firm registration No. 318086E

For and on behalf of the Board

SUPRIO GHATAK

Partner

Membership No. 051889

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The 3rd, day of May, 2019

R. K. Gupta

Chief Financial Officer

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Company Secretary

Tonmoy Bera

Managing Director

DIN - 08342972

R. V. Kanoria

Non-Executive Chairman

DIN - 00003792

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2019

A) Equity Share Capital

(₹ in lakhs)

Balance as at 1st April, 2017	1079.77
Add/(Less): Changes in Equity Share Capital during the year	-
Balance at March 31, 2018	1079.77
Add/(Less): Changes in Equity Share Capital during the year	-
Balance at March 31, 2019	1079.77

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Item of other Comprehensive Income	Total
	Securities Premium Account	General Reserve	Retained Earnings (Net of Deferred Tax)	Re-Measurement of defined benefit plans	
Balance at April 1, 2017	585.96	324.84	13,836.15	-	14,746.95
Profit for the year	-	-	179.34	-	179.34
Final Dividend on Equity Shares (FY 2016-17)	-	-	(269.33)	-	(269.33)
Dividend Distribution Tax on Final Dividend	-	-	(54.83)	-	(54.83)
Remeasurement of Defined Benefit Obligations (Net of Tax)	-	-	-	175.61	175.61
Transfer from Other Comprehensive Income to Retained Earnings	-	-	175.61	(175.61)	-
Balance at April 1, 2018	585.96	324.84	13,866.94	-	14,777.74
Profit for the year			155.44		155.44
Final Dividend on Equity Shares (FY 2017-18)			(215.46)		(215.46)
Dividend Distribution Tax on Final Dividend			(44.29)		(44.29)
Remeasurement of Defined Benefit Obligations (Net of Tax)			-	90.95	90.95
Transfer from Other Comprehensive Income to Retained Earnings			90.95	(90.95)	-
Balance at March 31, 2019	585.96	324.84	13,853.58	-	14,764.38

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.

For **JKVS & Co.**

Chartered Accountants

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The 3rd, day of May, 2019

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Chief Financial Officer

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Tonmoy Bera

Managing Director

DIN - 08342972

R. V. Kanoria

Non-Executive Chairman

DIN - 00003792

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019**1 CORPORATE AND GENERAL INFORMATION**

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

2 BASIS OF ACCOUNTING**2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements of the Company for the year ended 31st March, 2019 have been approved and authorised for issue by the Board of Directors in their meeting held on 3rd May, 2019.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost convention, except for following:

- Financial assets and liabilities (including derivative instruments) that are measured at fair value/ amortised cost;
- Freehold land measured at fair value;
- Defined benefit plans are measured at fair value.

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgements

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

2.5 Operating Cycle

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

2.6. Adoption of new accounting standards

The Company has applied the following accounting standards and its amendments for the first time for annual reporting period commencing 1st April, 2018:

- Ind AS 115-Revenue from Contracts with Customers
- Amendment to Ind AS 12 - Income Taxes
- Amendment to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- Amendment to Ind AS 28 - Investment in Associates and Joint Ventures

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

- Amendment to Ind AS 112 - Disclosure of Interests in Other Entities
- Amendment to Ind AS 40 – Investment property
- Amendment to Ind AS 20 – Accounting for Government Grant and Disclosure of Government assistance

The company had to change its accounting policies following the adoption of Ind AS – 115. Most of the above amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

3 SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Property, Plant and Equipment

a) Recognition and Measurement:

- Property, plant and equipment, except freehold land, held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation/ amortisation and accumulated impairment losses (if any). Freehold land has been stated at fair value as on the date of transition to IND AS, i.e., 01.04.2016 and the difference between carrying amount of such land and fair value has been credited to “Retained Earnings” under the head “Other Equity”.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including non-refundable import duties and taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalisation criteria is met and any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- 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. Advances given towards acquisition or construction of property, plant and equipment outstanding at each reporting date are disclosed as Capital Advances under “Other Non-Current Assets”.
- Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.
- The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- The Company identifies and determines cost of asset significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

b) Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.
- Major inspection/ repairs/ overhauling expenses are recognised in the carrying amount of the item of property,

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortised part of the previously recognised expenses of similar nature is derecognised.

c) Depreciation and Amortisation

- Depreciation on property, plant and equipment is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).

3.2. Intangible Assets

- Intangible assets being Goodwill acquired separately are measured on initial recognition at cost. Such assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.
- Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Other Intangible assets are amortised on straight line basis over its estimated useful life. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
- Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

3.3. Leases

a) Determining whether an arrangement contains a lease

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

b) Finance Lease

● In the books of lessee

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

● In the books of lessor

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

c) Operating Lease

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

● In the books of lessee

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

● In the books of lessor

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

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

3.4. Borrowing Cost

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

3.5. Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognised in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the statement of profit and loss within finance costs. Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.6. Inventories

- Raw materials, stores and spares and loose tools are valued at lower of cost and net realisable value. However, 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. Cost includes cost of purchase, non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.
- Work-in-progress and finished goods are valued at lower of cost and net realisable value. Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale. Net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods.
- Adequate provision is made for obsolete and slow-moving stocks, wherever necessary.

3.7. Revenue Recognition

Ind AS 115 "Revenue from Contracts with Customers", that replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts" and related interpretations, introduce one single new model for recognition of revenue which includes a 5-step approach and detailed guidelines. Among other, such guidelines are on allocation of revenue to performance obligations within multi-element arrangements, measurement and recognition of variable consideration and the timing of revenue recognition. The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the entity expects to be entitled to in exchange for transferring of promised goods and services to the customer after deducting incentive programs, included but not limited to discounts, volume rebates etc.

a) Sale of Goods

- Revenue from the sale of jute products is measured based on the consideration specified in a contract with a customer and excludes any taxes and duties collected on behalf of the government. Company recognises revenue at a point in time, when control is transferred to the customer, and the consideration agreed is expected to be received. Control is generally deemed to be transferred upon delivery of the components in accordance with the agreed delivery plan.
- The company does not expect to have any contracts where the period between transfer of promised goods or services to the customer and payment by customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

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

b) Interest Income

Interest income from financial assets is recognised using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

c) Dividend Income

Dividend income from investments is recognised when the Company's right to receive payment has been established.

d) Other Operating Revenue

Export incentives and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the incentive will be received.

3.8. Government Grants

- Government grants are recognised at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions.
- Government grants are recognised in the statement of profit or loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate. Capital grant received from sponsors for construction of specific asset are recognised as deferred revenue in the Balance Sheet and transferred to the profit or loss on a systematic and rational basis over the useful lives of the related asset.

3.9. Income Tax

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a) Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities based on tax rates and tax laws that have been enacted during the period.

b) Deferred Tax

- Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognised for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

c) Minimum Alternate Tax (MAT)

Minimum alternate tax is recognized as an asset only when and to the extent there is convincing evidence that the

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

Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

3.10. Earnings Per Share:

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

3.11. Provisions, Contingent Liabilities and Contingent Assets

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

3.12. Cash Flow Statement

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

3.13. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.14. Employee Benefits

- Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the Provident fund. Contribution payable to the provident fund is recognised as an expenditure in the statement of profit and loss.
- The Company's obligation towards gratuity, a defined benefit employee retirement scheme is recognized on the basis of period end actuarial valuation determined under the Projected Unit Credit Method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.
- Short term compensated absences are provided for based on estimates. The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the unit projected credit method at the end of each financial year.

3.15. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

a) Financial Assets

- **Recognition and Initial Measurement:**

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

- **Classification and Subsequent Measurement:**

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

- Measured at amortised cost;
- Measured at fair value through other comprehensive income (FVTOCI);
- Measured at fair value through profit or loss (FVTPL); and
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI).

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

- **Measured at amortised cost (AC):**

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- **Measured at fair value through other comprehensive income (FVTOCI):**

A financial asset is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- **The asset's contractual cash flows represent SPPI.**

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in interest income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in other comprehensive income reserve is transferred in the statement of profit and loss.

- **Measured at fair value through profit and loss (FVTPL):**

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Financial Asset included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Interest / dividend income on financial instruments measured at FVTPL are presented separately under other income.

- **Equity Instruments measured at FVTOCI:**

All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election

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

to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no reclassification of the amounts from OCI to the statement of profit and loss, even on sale of investment.

➤ **Investments in Subsidiaries**

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

● **Derecognition**

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

● **Impairment of Financial Assets**

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

b) **Financial Liabilities**

● **Recognition and Initial Measurement:**

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

● **Subsequent Measurement:**

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

● **Derecognition**

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

● **Offsetting Financial Instruments**

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

c) **Derivative Financial Instruments:**

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

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

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

3.16. Measurement of Fair Values

A number of the accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

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

3.17. Impairment of Non-Financial Assets

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognised as an expense in the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.18. Cash dividend distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3.19. New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below :

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1st April, 2019. The Company will adopt new standard and amendment to existing standards with effect from 1st April, 2019.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

- Ind AS 116 Leases – Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same is not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similar to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization charge for the right-to-use asset, and b) interest accrued on lease liability.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 without adjusting the Comparatives. The Company is currently evaluating the impact this standard will have on its financial statement.

- Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments) - The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

- Amendment to Ind AS 19– plan amendment, curtailment or settlement- Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30th March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.
- Ind AS 23 – Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment.
- **Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements :** The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. This amendment is currently not applicable to the Company.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

- Ind AS 109 – Prepayment Features with Negative Compensation : The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Company does not expect this amendment to have any impact on its financial statements.

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

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

- a) Recognition of Deferred Tax Assets: The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- b) Useful lives of depreciable/ amortisable assets (property, plant and equipment and intangible assets): Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- c) Defined Benefit Obligation (DBO): Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- d) Provisions and Contingencies: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- e) Impairment of Financial Assets: The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

4. Property, Plant & Equipment

(₹ in lakhs)

Particulars	Gross Carrying Value			Depreciation/Amortisation			Net Carrying Value		
	As at 1st April, 2018	Additions	Sale/ Disposal	As at 31st March, 2019	As at 1st April, 2018	during the year	Sale/ Disposal	As at 31st March, 2019	As at 31st March, 2019
Freehold Land	11,145.01	-	-	11,145.01	-	-	-	-	11,145.01
Buildings	1,857.50	109.72	-	1,967.22	1,405.25	19.77	-	1,425.02	542.20
Plant & Machinery	10,122.56	950.00	44.41	11,028.15	7,313.76	503.25	42.19	7,774.82	3,253.33
Vehicles	380.40	30.18	21.48	389.10	301.40	18.36	20.40	299.36	89.74
Furniture And Fittings	71.48	2.52	-	74.00	56.56	7.26	-	63.82	10.18
Office Equipments	204.10	19.74	-	223.84	137.91	13.11	-	151.02	72.82
Grand Total	23,781.05	1,112.16	65.89	24,827.32	9,214.88	561.75	62.59	9,714.04	15,113.28

Particulars	Gross Carrying Value			Depreciation/Amortisation			Net Carrying Value		
	As at 1st April, 2017	Additions	Sale/ Disposal	As at 31st March, 2018	As at 1st April, 2017	during the year	Sale/ Disposal	As at 31st March, 2018	As at 31st March, 2018
Freehold Land	11,145.01	-	-	11,145.01	-	-	-	-	11,145.01
Buildings	1,730.60	126.90	-	1,857.50	1,388.54	16.71	-	1,405.25	452.25
Plant & Machinery	9,389.57	755.09	22.10	10,122.56	6,857.94	468.79	12.97	7,313.76	2,808.80
Vehicles	349.35	31.05	-	380.40	280.60	20.80	-	301.40	79.00
Furniture And Fittings	63.40	8.08	-	71.48	43.35	13.21	-	56.56	14.92
Office Equipments	193.89	10.21	-	204.10	134.18	3.73	-	137.91	66.19
Grand Total	22,871.82	931.33	22.10	23,781.05	8,704.61	523.24	12.97	9,214.88	14,566.17

4.1. Refer Note - 18 & 23 for information on property, plant and equipment placed under charge/subservient charge/ pari-passu 1st charge as security by the Company.

4.2. Based on the valuation report by a Chartered Engineer, an external valuer, freehold land having original cost of ₹.49.34 lakhs was revalued as at 1st April, 2016 and the resultant increase of ₹.11,095.67 lakhs was credited to Retained Earnings, being fair value on date of transition considered as deemed cost.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

5. CAPITAL WORK IN PROGRESS

	As at 31st March, 2019	As at 31st March, 2018
Capital Work In Progress	387.33	331.09
	387.33	331.09

6. INTANGIBLE ASSETS

	As at 31st March, 2019	As at 31st March, 2018
Goodwill	(1)	(1)
(Figures of less than ₹.0.01 have been shown at actuals in brackets)		
	(1)	(1)

7. INVESTMENT IN SUBSIDIARIES

	Face Value	As at 31st March, 2019		As at 31st March, 2018	
		Number / Units	Amount	Number / Units	Amount
Equity Investment measured at Cost					
Investment in Equity Shares of Subsidiaries (Unquoted)					
Ludlow Exports Limited	10	-	-	2,50,000	25.00
Sijberia Industries Limited	10	-	-	5,62,859	88.87
Total (A)			-		113.87
Aggregate Book Value of Unquoted Investments			-		113.87
Aggregate Amount of impairment in value of Investments			-		-

7.1 NON-CURRENT INVESTMENTS

	Face Value	As at 31st March, 2019		As at 31st March, 2018	
		Number / Units	Amount	Number / Units	Amount
Investment measured at Fair Value through Profit & Loss					
a) Investment in Equity Shares (Quoted)					
Birla Corporation Ltd.	10	660	3.46	660	4.71
Cheviot Company Ltd.	10	411	2.71	274	3.76
Al Champdany Jute Co.Ltd.	10	338	0.04	314	0.08
Gillanders Arbuthnot & Co Ltd.	10	135	0.06	135	0.08
Total (a)			6.27		8.63
(b) Investment in Equity Shares (Unquoted)					
Santosh Garden Co Operative Ltd.	10	200	0.02	200	0.02
Total (b)			0.02		0.02
Grand Total (a+b)			6.29		8.65

	As at 31st March, 2019	As at 31st March, 2018
The carrying value and fair value of investments are as below:		
Aggregate Book Value of Quoted Investments	6.27	8.63
Aggregate Fair Value of Quoted Investments	6.27	8.63
Aggregate Amount of Unquoted Investments	0.02	0.02

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

8. LOANS

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
Security Deposits	27.96	37.12
	27.96	37.12

9. NON-CURRENT TAX ASSETS (NET)

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
- Advance Tax (Net of provision)	87.00	1.04
	87.00	1.04

10. OTHER NON CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
Capital Advance	73.64	413.59
Prepaid Rent	1.86	0.24
Balance with Government Authorities	170.72	127.69
	246.22	541.52

11. INVENTORIES

	As at 31st March, 2019	As at 31st March, 2018
(As taken, valued and certified by the Management)		
Raw Materials	4,636.89	2,856.54
Finished Goods (including in transit CY- ₹ 167.56 , PY ₹ 87.53)	2,897.26	2,759.54
Work-in-Progress	365.04	332.02
Stores and Spares	870.04	327.94
	8,769.23	6,276.04

11.1 Inventories are hypothecated against working capital borrowings (Refer note no . 18 & 23)

11.2 Mode of valuation - Refer Note 3. 6 of significant accounting policies.

12. TRADE RECEIVABLES

	As at 31st March, 2019	As at 31st March, 2018
Secured, Considered Good	-	-
Unsecured, Considered Good	3,165.15	2,573.90
Unsecured, Considered doubtful	10.00	10.00
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	3,175.15	2,583.90
Less: Provision for Doubtful Debts	10.00	10.00
	3,165.15	2,573.90

12.1 Trade Receivables are hypothecated / under charge against working capital borrowings/Term Loans (Refer note no . 18 & 23)

12.2 There are no amount receivable from directors and officers of the Company either severally or jointly with any other person.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

13. CASH & CASH EQUIVALENTS

	As at 31st March, 2019	As at 31st March, 2018
Cash on hand	4.51	7.69
Balance with Banks:		
- In Current Accounts	22.50	39.59
- In EEFC Account	-	68.08
	27.01	115.36

13.1 OTHER BANK BALANCES

	As at 31st March, 2019	As at 31st March, 2018
Earmarked Balances with Banks		
Unpaid Dividend account	65.13	66.24
Fixed Deposits held as Margin Money	56.00	52.67
	121.13	118.91

14. OTHER CURRENT FINANCIAL ASSETS

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
Advance to Employees	236.57	212.72
Insurance Claim Receivable	218.32	143.20
Less : Provision for Doubtful claims receivable	143.20	75.12
	311.69	212.72

15. OTHER CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, Considered Good)		
Advance against supply of Goods & Services	151.41	135.31
Balances with Government Authorities	94.14	45.16
Prepaid Expenses	94.97	69.15
Receivable from Employees	10.96	6.71
Export Incentives Receivables	343.25	442.47
Other Receivables *	9.78	8.43
Forward Contract MTM Gain Receivable	-	4.06
Others	2.17	-
	706.68	711.29

* primarily includes claim amount receivable from JCI.

15.1 There are no amount receivable from directors and officers of the Company either severally or jointly with any other person.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

16. EQUITY SHARE CAPITAL

	As at 31st March, 2019		As at 31st March, 2018	
	Number	Amount	Number	Amount
Authorized :				
Equity Shares of ₹ 10/- each	1,49,90,000	1,499.00	1,49,90,000	1,499.00
Redeemable Preference Shares ₹ 100/-each	1,000	1.00	1,000	1.00
		1,500.00		1,500.00
Issued :				
Equity Shares of ₹ 10/- each fully paid up	1,07,73,120	1,077.31	1,07,73,120	1,077.31
		1,077.31		1,077.31
Subscribed and Paid-up :				
Equity Shares of ₹ 10/- each fully paid up	1,07,73,120	1,077.31	1,07,73,120	1,077.31
Add : Forfeited Equity Shares (Amount originally paid up)		2.46		2.46
		1,079.77		1,079.77

- There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.
- Terms /Rights attached to Shareholders : The Company has only one class of issued shares i.e. Equity Shares having par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend . In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- M/s 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	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% Holding	No. of Shares	% Holding
RV Investment & Dealers Ltd	67,16,507	62.35	67,16,507	62.35

- 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.

17. OTHER EQUITY

	As at 31st March, 2019	As at 31st March, 2018
a) Securities Premium Account		
As per last Financial Statement	585.96	585.96
	585.96	585.96
b) General Reserve		
As per last Financial Statement	324.84	324.84
	324.84	324.84

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

	As at 31st March, 2019	As at 31st March, 2018
c) Retained Earnings		
Balance at the beginning of the year	13,866.94	13,836.15
Add: Profit for the year	155.44	179.34
	14,022.38	14,015.49
Less: Final Dividend on Equity Shares	215.46	269.33
Less: Dividend Distribution Tax	44.29	54.83
Add: Transferred from OCI	90.95	175.61
Balance at the end of the year	13,853.58	13,866.94
d) Other Comprehensive Income		
Remeasurement of Defined Benefits Plans		
Balance at the beginning of the year	-	-
Add/(Less): Remeasurement of Defined Benefit Plan	136.53	262.36
Add/(Less): Tax on the above	(45.58)	(86.75)
	90.95	175.61
Less: Transferred to Retained Earnings	90.95	175.61
Balance at the end of the year	-	-
Total Other Equity	14,764.38	14,777.74

Nature & Purpose of Reserves

- i) **Securities Premium Reserve** : The Reserve represents the premium on issue of shares and can be utilized in accordance with the provision of the Companies Act, 2013.
- ii) **General Reserve** : The Reserve is created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the company in accordance with the provisions of Companies Act, 2013.
- iii) **Retained Earnings** : This Reserve represents the cumulative profits of the Company and effects of Re-measurement of defined benefit obligations . This reserve can be utilised in accordance with the provisions of the Companies Act 2013.
- iv) **Item of other Comprehensive Income (Remeasurement of defined benefit plans)** : Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income(OCI) in the period in which they occur. Remeasurement recognised in OCI is reflected immediately in Retained Earnings and will not be reclassified to statement of Profit and Loss .

18. LONG TERM BORROWINGS

	As at 31st March, 2019		As at 31st March, 2018	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
i) Term Loan From Banks	1,938.62	30.99	974.94	30.18
	1,938.62	30.99	974.94	30.18
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note. 25)	-	(30.99)	-	(30.18)
	1,938.62	-	974.94	-

- 18.1 a) Term loan of ₹ 155.00 @ 9.35% interest p.a., is secured as exclusive charge over all the assets of the Company funded by the specified bank and subservient charge over all the current Assets and Movable Fixed Assets of the Company (both present & future) and repayable in 20 quarterly instalments of ₹ 7.75 each starting after 1 year from date of disbursement i.e 16.05.2018 .

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

- b) Term loan of ₹ 1840.00 @ 9.95% interest p.a., is secured as exclusive charge over all the assets of the Company funded by the specified bank and subservient charge over all the current Assets and Movable Fixed Assets of the Company (both present & future) and repayable in 20 quarterly instalments of ₹ 92.00 each starting from February, 2020.

18.2 No loans have been guaranteed by the directors of the Company.

18.3 There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

19. NON CURRENT PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
- Leave Encashment	110.68	137.95
- Provident Fund (Refer Note No. 39 (b)(10))	60.15	35.58
	170.83	173.53

20. DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2019	As at 31st March, 2018
a) Deferred Tax Liabilities		
Depreciation and Amortization Expenses	406.95	401.70
On Other	8.57	4.14
	415.52	405.84
b) Deferred Tax Assets		
Items U/S 43B of the Income Tax Act, 1961	147.75	139.18
On Others	74.11	65.49
	221.86	204.67
Deferred Tax Liabilities (Net) (a-b)	193.66	201.17

20.1 MOVEMENT IN DEFERRED TAX ASSETS AND LIABILITIES DURING THE YEAR ENDED 31ST MARCH '18 AND 31ST MARCH '19

Particulars	Opening Balance as on 1st April, 2017	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	As at 31st March, 2018
Deferred Tax Liabilities				
Depreciation and Amortization Expenses including for earlier year	288.88	112.82	-	401.70
On Others	4.73	(0.59)	-	4.14
TOTAL (A)	293.61	112.23	-	405.84
Deferred Tax Assets				
On Retirement benefits expenses as per Ind AS - 19	177.00	48.93	(86.75)	139.18
On Others	3.44	62.05	-	65.49
TOTAL (B)	180.44	110.98	(86.75)	204.67
Deferred Tax Liabilities (Net) - (A - B)	113.17	1.25	86.75	201.17

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

Particulars	Opening Balance as at 31st March, 2018	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	As at 31st March, 2019
Deferred Tax Liabilities				
Depreciation and Amortization Expenses including for earlier year	401.70	5.25	-	406.95
On others	4.14	4.43	-	8.57
Total (A)	405.84	9.68	-	415.52
Deferred Tax Assets				
On Retirement benefits expenses as per Ind AS - 19	139.18	54.15	(45.58)	147.75
On Others	65.49	8.62	-	74.11
Total (B)	204.67	62.77	(45.58)	221.86
Deferred Tax Liabilities (Net) (A - B)	201.17	(53.09)*	45.58	193.66

* This includes deferred tax liability of Rs.46.58 netted with income tax for earlier years, refer note no. 37.

21. NON- CURRENT TAX LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Provision for Income Tax (Net of Advance Tax & Income Tax Refundable)	46.23	38.80
	46.23	38.80

22. OTHER NON CURRENT LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Deferred Revenue Grant	88.64	53.66
	88.64	53.66

22.1 MOVEMENT OF DEFERRED REVENUE

Particulars	2018-19	2017-18
Opening Balance (including current portion)	67.61	65.08
Add: Grant Received during the year	36.35	25.77
Less: Released to Statement of Profit & Loss	(15.32)	(23.24)
Less: Transferred to Current Deferred Revenue Grant	-	(13.95)
Closing Balance (excluding Current Portion)	88.64	53.66

23. SHORT TERM BORROWINGS

	As at 31st March, 2019	As at 31st March, 2018
Working Capital facilities from Banks		
- Cash Credit	3,404.21	3,617.02
- Export Packing Credit	1,784.16	854.12
- Bill Discounting	294.44	536.07
- Buyer's Credit (in Foreign Currency)	-	323.58
	5,482.81	5,330.79

23.1 Working Capital Borrowings 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.

23.2 No loans have been guaranteed by the directors of the Company.

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

23.3 There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

24. TRADE PAYABLES

	As at 31st March, 2019	As at 31st March, 2018
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 45)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,800.02	1,589.23
	3,800.02	1,589.23

25. OTHER CURRENT FINANCIAL LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Current Maturities of Long-term debt (Refer Note 18)	30.99	30.18
Interest accrued and due on Loans	28.03	25.03
Unpaid Dividends	65.13	66.24
Employee Related Liabilities*	817.37	798.06
Trade & Security Deposit	17.99	15.83
MTM Loss payable on derivative financial instrument	1.49	0.02
	961.00	935.36

* Includes outstanding dues of directors of the company ₹ 0.98 (31st March, 2018 ₹ 3.61)

26. OTHER CURRENT LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Statutory Dues	150.57	258.23
Contract Liabilities	57.61	-
Advance from Customers	-	41.83
Deferred Revenue Grant	-	13.95
	208.18	314.01

27. CURRENT PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
- Gratuity (Refer Note 39(b))	146.25	33.97
- Leave Encashment	88.58	60.25
	234.83	94.22

28. CURRENT TAX LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Provision for Income Tax (Net of Advance Tax)	-	44.46
	-	44.46

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

29. REVENUE FROM OPERATIONS

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Finished Goods - Jute Products*	36,217.82	32,811.05
Total (A)	36,217.82	32,811.05
Other Operating Revenue		
Scrap Sales	96.73	17.34
Insurance and Other Claims (Net)	90.10	6.34
Miscellaneous Income	7.19	0.38
Export Incentive	440.92	538.64
Total (B)	634.94	562.70
Grand Total (A+B)	36,852.76	33,373.75

* includes jute manufacturing cess of ₹ Nil (F.Y. 2017-18 ₹ 77.00 till 30th June, 2017) since consequent to the introduction of Goods and Services Tax (GST) effective from 1st July, 2017, sales are recorded net of GST.

30. OTHER INCOME

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income		
On Bank Deposits	3.82	8.16
On Others	104.06	-
On Security Deposits	0.36	0.43
	108.24	8.59
Dividend Income		
Dividend Income on Long Term Investment	-	0.05
Other Non Operating Income		
Net gain on Fair Value Changes of Equity Instruments measured at FVTPL	-	0.67
Profit on sale of Investment in Subsidiaries	42.45	-
Excess Provisions & Unspent Liabilities written back	5.23	69.45
Excess Depreciation written back	-	0.17
Bad Debt recovery	-	105.75
Exchange Gain / (loss) on foreign currency transaction & translation (Net)	18.41	130.15
Profit on disposal of PPE (Net)	29.12	10.33
Income from Deferred Government Grant	15.32	23.24
	218.77	348.40

31. COST OF MATERIALS CONSUMED

	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	2,856.54	2,564.48
Add : Purchases	22,946.86	18,700.02
	25,803.40	21,264.50
Less : Inventory at the end of the year	4,636.89	2,856.54
	21,166.51	18,407.96

NOTES ON STANDALONE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(₹ in lakhs)

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock :		
Finished Goods	2,759.54	2,851.73
Work-In-Progress	332.02	267.86
	3,091.56	3,119.59
Less: Closing Stock		
Finished Goods	2,897.26	2,759.54
Work-In-Progress	365.04	332.02
	3,262.30	3,091.56
Increase / (Decrease) in Inventories of Finished Goods & Work-In-Progress	(170.74)	28.03

33. EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages & Bonus	7,262.09	6,846.97
Contribution to Provident and Other Funds	1,054.73	1,038.74
Contribution to Gratuity Fund (Refer Note No.39 (b))	286.81	301.32
Workmen and Staff Welfare Expenses	128.37	108.07
	8,732.00	8,295.10

34. FINANCE COST

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses		
On Term Loans	134.20	34.11
On Working Capital Loans	407.34	362.61
Other Financial Charges	19.64	21.49
	561.18	418.21

35. DEPRECIATION EXPENSES

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Property, Plant & Equipment	561.75	523.24
	561.75	523.24

36. OTHER EXPENSES

	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing Expenses		
Consumption of Stores and Spares	1,747.02	1,543.97
Power & Fuel	1,683.25	1,564.95
Sub Contracting/Job Work Charges	1,327.66	1,165.38
Repairs to Machinery	39.11	66.28
Repairs to Building	29.99	55.05
	4,827.03	4,395.63

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Selling And Administration Expenses		
Rates and Taxes	17.10	18.29
Repairs to Others	131.55	150.62
Insurance	37.06	52.95
Rent	18.99	16.49
Travelling and Conveyance Expenses	32.53	27.42
Freight and Forwarding Expenses	479.83	590.10
Increase/Decrease of Cess on Finished Goods	-	(21.35)
Legal and Professional Fees	69.50	42.77
Brokerage	58.77	93.80
Bad Debts Written Off	-	22.81
Provision for Bad Debts	-	10.00
Net loss on Fair Value Changes of Equity Instruments measured at FVTPL	2.36	-
Contribution to CSR Activities (Refer Note No 43)	8.43	5.62
Director Sitting Fees	8.86	8.66
Auditors' Remuneration (Refer note no. 36.1)	8.60	8.80
Miscellaneous Expenses	301.61	253.38
	1,175.19	1,280.36
	6,002.22	5,675.99

36.1 PAYMENT TO AUDITOR

	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory Audit fees	6.70	6.90
Limited Review	1.50	1.50
Issue of certificates	0.15	0.15
Cost Audit Fees	0.25	0.25
	8.60	8.80

37. TAX EXPENSES

	For the year ended March 31, 2019	For the year ended March 31, 2018
Income Tax recognised in Statement of Profit and Loss		
Current Tax	65.93	115.00
Deferred Tax	(6.51)	1.25
	59.42	116.25
Income Tax for earlier years		
Current Tax	50.33	1.03
Deferred Tax	46.58	-
Net	3.75	1.03
	63.17	117.28

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before Tax	218.61	296.62
Less : Deduction U/S 80I	55.05	-
Income before Income Taxes	163.56	296.62
Indian statutory Income Tax Rate	33.38%	33.06%
Estimated Income Tax Expense	54.60	98.08
Tax Effect of adjustments to reconcile expected Income Tax Expense to Reported Income Tax Expense		
Income exempt or not chargeable to tax	(15.03)	(3.42)
Expenses Disallowed for Tax Purpose	11.02	5.16
Others *	8.83	16.43
	4.82	18.17
Tax Expense in Statement of Profit and Loss	59.42	116.25

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

38. CONTINGENCIES & COMMITMENTS

	As at 31st March 2019	As at 31st March 2018
i) Contingent Liabilities not provided for in respect of :		
a) i) Disputed demand against WBST Act'1994, (C.Y. ₹ 22.20, P.Y ₹ 22.20) and CST Act'1956 (C.Y. ₹ 1.54, P.Y ₹ 1.54) for the year 1999-00 and 2004 -05 for which the Company has preferred appeal and it is pending before W.B.C.T. (A & R) Board (Adv. Paid against WBST Act, 1994 C.Y. ₹ 11.20, P.Y. ₹11.20)	23.74	23.74
ii) Disputed demand against WB VAT ACT, 2003 (C.Y. ₹ 35.02,P.Y. ₹ 83.28). CST Act' 1956 (C.Y. ₹ 774.04, P.Y. ₹ 994.95) for the year 2005-06 to 2015-2016 for which Appeal is pending before WBCT (A&R) Board and Appellate Forum (Adv. Paid against CST Act, 1956 C.Y ₹ 36.99, P.Y. ₹ 27.36)	809.06	1,079.35
iii) Disputed demand against Service Tax on renting of immovable property from 2008-09 to 2013-14 (Adv. Paid ₹ 1.18 as on 31.03.19), Appeal is pending at CESTAT, Kolkata.	23.66	-
b) Land Revenue (Rent) raised by the office of the Block & Land Revenue (BL. & L.R.) Officer Uluberia- II, Howrah due to retrospective changes in W.B.Land Reform Act. Matter is pending before W.B.Land Reform Tribunal from 2001-02 to 2017-18.	173.17	161.63
c) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. The Company is awaiting the outcome of the review petition, and also directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account.		
d) i) Outstanding Bank Guarantees	489.62	441.82
ii) Outstanding Letter of Credit	676.56	1,356.13
The amounts shown in (a) and (b) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately.		

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

	As at 31st March 2019	As at 31st March 2018
In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.		
The Company does not expect any reimbursements in respect of the above contingent liabilities.		
ii) Capital & Other Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance amounting to CY. ₹ 73.64, PY ₹ 413.59)	499.09	173.83

39. EMPLOYEE BENEFITS

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

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Employees Provident Fund	18.70	27.10
ii) Employees Pension Scheme	504.49	497.11

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

i) Gratuity Plan

Every employee who has completed continuous five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

ii) Provident Fund

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

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

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present Value of funded obligations	4,038.55	3,907.77
Fair value of plan assets	3,892.30	3,873.80
Net Liabilities in respect of funded obligations on actuarial valuation basis	146.25	33.97

2. The expenses recognised in the statement of Profit and Loss for the year ended 31st March, 2019 are as follows :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	284.04	287.01
Past Service Cost	-	1.89
Net Interest Cost / (Income) on the Net Defined Benefit Liability/(Asset)	2.77	12.42
Expenses recognised in statement of profit and loss	286.81	301.32
Expenses recognised during the year:		
In Income Statement	286.81	301.32
In OCI	(136.53)	(262.36)
Total expenses recognised during the year	150.28	38.96

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of defined benefit obligation at the beginning of the year	3,907.77	3,874.12
Current Service Cost (+)	286.04	287.01
Interest Cost (+)	300.84	281.77
Re-measurement (or Actuarial) Gain (-)/ Loss (+) arising from		
- change in financial assumptions	47.88	(65.31)
- experience variance (i.e. Actual experience vs assumptions)	(207.35)	(180.99)
Past Service Cost	-	1.89
Benefits paid (-)	(296.63)	(290.72)
Present value of defined benefit obligation at the end of the year	4,038.55	3,907.77

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fair value of Plan Assets at the beginning of the year	3,873.80	3,678.97
Acquisition adjustments		
Investment Income (+)	298.07	269.49
Actual Company Contribution (+)	40.00	200.00
Benefit Payments (-)	(296.64)	(290.72)
Return on plan assets, excluding amount recognized in net interest expense	(22.93)	16.06
Fair Value of Plan Assets at the end of the year	3,892.30	3,873.80

5. Other Comprehensive Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	47.88	(65.31)
- experience variance (i.e. Actual experience vs assumptions)	(207.35)	(180.99)
- others	-	-
Return on plan assets, excluding amount recognized in net interest expenses	22.93	(16.06)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit cost recognised in other comprehensive income	(136.54)	(262.36)

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Qualifying insurance policy	100%	100%

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
1. Mortality Rate (% of IALM 06-08)	100%	100%
2. Withdrawal rates, based on age (per annum)	2% to 1%, depending on the age and length of service	2% to 1%, depending on the age and length of service
3. Discount Rate (per annum)	7.70%	7.70%
4. Salary growth rate (per annum)	7 % p.a. for 1st 2 yrs 6% for next 2 yrs & 5.5% thereafter	7 % p.a. for 1st 2 yrs 6% for next 2 yrs & 5.5% thereafter
5. Normal Age of Retirement	58 Years	58 Years

8. A quantitative sensitivity analysis for significant assumption as at 31 March 2019 are as shown below :

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

	Sensitivity Level	Defined benefit obligations			
		31-Mar-19		31-Mar-18	
		Increase	Decrease	Increase	Decrease
Discount Rate	1% Increase or Decrease	3,748.13	4,371.32	3,630.74	4,228.94
Further salary increase	1% Increase or Decrease	4,373.94	3,741.03	4,231.44	3,623.91

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

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

At 31st March 2019, the weighted average duration of the defined benefit obligation was 8 years (31st March, 2018, 8 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within the next 12 months	434.70	452.13
Between 2 and 5 years	1609.18	1463.28
Between 6 and 10 years	2345.49	2362.06
Beyond 10 years	4292.84	4038.58
Company's best estimate of Contribution during the next year	451.15	318.89

Funding arrangements and Funding Policy :

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

- 10.** In respect of provident funds for eligible employees maintained by a trust, in the nature of defined benefits plan, shortfall towards 'interest rate guarantee liability' amounting to ₹ 60.15 lacs upto 31.03.19 (PY, ₹ 35.58 lacs upto 31.03.2018),as per actuarial valuation in respect of contribution towards such funds. Incremental liability for the year ₹ 24.57 lacs (PY. ₹ 35.58 lacs) has been provided and included as expenses in 'Contribution to PF & Other Fund' under the heading "Employees benefits Expense."

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

40. Earnings Per Share (EPS)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) BASIC		
Profit after Tax attributable to Equity Shareholders (₹ in lakhs) (i)	155.44	179.34
Weighted average number of Equity Shares of ₹.10/- each outstanding during the year (ii)	1,07,73,120	1,07,73,120
Basic Earnings per share (in ₹.) [(i)/(ii)]	1.44	1.66
(ii) DILUTED		
Dilutive potential Equity shares	Nil	Nil
Diluted Earnings per share (in ₹) [a (i)/ a (ii)]	1.44	1.66

41. Segment Reporting

- The Company is engaged in a single business segment i.e. manufacturing and sale of jute goods. Hence, disclosure requirements as required by Ind AS -108 are not applicable in respect of business segment.

2) Secondary information : (Geographical Segment)

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

Particulars	Amount			Amount		
	For the year ended 31st March, 2019			For the year ended 31st March, 2018		
	India	Overseas	Total	India	Overseas	Total
Revenue from operations	30,874.19	5,978.57	36,852.76	25,799.75	7,574.00	33,373.75
Non-current assets other than financial instruments *	15,833.83	-	15,833.83	15,553.69	-	15,553.69

* Non-current assets other than financial instruments include property, plant and equipment, capital work-in-progress, investment property, other intangible assets, non-current tax assets (net) and other non-current assets.

3) Extent of reliance on major customer

Revenue from government agencies amounting to ₹ 25458 (69.08% of total revenue); F.Y. 2017-18 ₹ ₹ 21272 (63.74% of total revenue) has arisen on sale of jute bags within India.

42. Related Party Transactions

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

A) Relationships

1) Holding Company :

Name of Entity	Place of Incorporation	Ownership Interest held in the Company	
		31st March 2019	31st March 2018
R.V. Investments & Dealers Ltd.	India	62.35%	62.35%

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

- Kirtivardhan Finvest Services Ltd.
- Belvedere Gardens Limited

3) Post-employment benefit plan entities

- Ludlow Jute Co. Ltd. Provident Fund
- Ludlow Jute Employees' Gratuity Trust

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

4) Key Managerial Personnel (KMP):

Name	Designation
Mr R V Kanoria	Non Executive Chairman
Mr Tonmoy Bera (w.e. f. 01.02.2019)	Managing Director
Mr A.K. Todi (till 15.11.2018)	Managing Director
Mr J. K. Bhagat	Director
Mr A.C. Mukherji (till 08.05.2018)	Director
Mr I.P. Poddar till (18.01.2019)	Director
Mr B. Choudhuri	Director
Mr L.G. Toolsidass till (18.04.2018)	Director
Mr Satish Kapur	Director
Mr B. K. Jalan (w.e.f. 07.05.2018)	Director
Ms. Nayantara Palchoudhuri	Director
Mr. R K Gupta	Chief Financial Officer
Ms. Madhuri Pandey (till 01.02.2019)	Company Secretary & Compliance Officer

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

Particulars	Holding Co. & Enterprise having significant influence		Key Managerial Personnel	
	2018-19	2017-18	2018-19	2017-18
Transaction during the year				
Remuneration paid to Managing Director	-	-	91.33	99.06
Salary Paid to KMP other than Managing Director	-	-	21.43	18.11
Rent and maintenance charges paid	61.44	49.88	-	-
Director Sitting Fees	-	-	8.86	8.66
Dividend Paid	144.58	180.72	0.23	0.30
Sale of Investments in Subsidiaries	156.33	-		
Contributions made (including employees share & contribution)				
Ludlow Jute Co. Ltd. Provident Fund	666.61	624.24		
Ludlow Jute Employees' Gratuity Trust	40.00	200.00		
Closing Balance as at year end				
Security Deposit given (Asset)	8.77	3.89	-	-
Provident Fund Payable to above PF Trust	100.92	89.06		
Commission Payable to Directors	-	-	0.98	3.61

43. Disclosures pursuant to IND AS - 115

(₹ in lakhs)

- a) **Nature of goods and services** : The Company is engaged in the manufacturing and sale of jute products and the same is only reportable segment of the Company.
- b) **Disaggregation of revenue** : In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition, etc :

Particulars	For the year ended 31st March 2019
A. Primary geographical markets	
Within India	30,874.19
Overseas	5,978.57
Total	36,852.76
B. Major products	
Jute products	36,852.76
Total	36,852.76

C. The company recognises revenue at a point in time. The contract with customers are of short term duration and all sales are direct to customers.

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

- c) **Contract balances** : The following table provides information about receivables, contract assets and contract liabilities from contract with customers :

Particulars	As at 31st March, 2019
Receivables, which are included in 'Trade and other receivables' (Refer Note - 12)	3,165.15
Contract assets	-
Contract liabilities (Refer Note - 26)	57.61
Total (Assets - Liabilities)	3,107.54

- d) **Other information** :

Particulars	For the year ended 31st March 2019
(i) Transaction price allocated to the remaining performance obligations	Nil
(ii) The amount of revenue recognised in the current period that was included in the opening contract liability balance	Nil
(iii) The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods	Nil
(iv) Performance obligations : The Company satisfy the performance obligation on shipment / delivery.	
(v) Significant payment terms : The amounts receivable from customers become due after expiry of credit period which on an average is less than 30 days. There is no significant financing component in any transaction with the customers.	

- e) The Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company has adopted Ind AS 115, "Revenue from Contracts with Customers" with a date of initial application of 1st April, 2018. As a result, the Company has changed its accounting policy for revenue recognition. The Company has adopted modified retrospective approach and had applied Ind AS 115 only retrospectively to the current period by recognizing the cumulative effect of initially applying Ind AS-115 as an adjustment to the opening balance of retained earnings at the date of initial application i.e. 1st April, 2018. Under the modified retrospective method, the comparative information in the financial statement is not restated and would be presented based on the requirements of the previous standards (e.g. Ind AS-18). However there is no impact on financial statements with respect to change in accounting policy.

44. Operating Leases

As Lessee

The Company's significant leasing arrangements are in respect of operating leases for office premises only. These leasing arrangements are for a period of 3(three) years only, and are usually renewable by mutual consent on mutually agreeable terms for a period of 3(three) years. The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss

Future Minimum Lease Payments

The future minimum lease payments to be made under non-cancellable operating leases are as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Payables within one year	99.69	35.45
Payables later than one year but not later than five years	182.76	-
Payables later than five years	-	-

The Company has entered into leasing agreements under operating lease in respect of office premises only for a period of 3 years. Total operating lease expenses recognised in the Statement of Profit & Loss for the year is ₹. 61.44(previous year ₹.49.88)

45. Corporate Social Reporting

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

a) Expenditure incurred on CSR activities:

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Gross amount required to be spent by the Company during the year	14.95	8.60
Related Party transactions as per IND AS 24 in relation to CSR expenditure	-	-
Provision made in relation to CSR expenditure	-	-

b) Amount Spent during the year on:

Sl. No.	Particulars	For the Year ended 31st March 2019			For the Year ended 31st March 2018		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
I	Construction/Acquisition of any asset	-	-	-	-	-	-
II	On purposes other than (i) above	8.31	0.12	8.43	5.62	-	5.62

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

47. 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 (the Act) for claiming their status as micro, small or medium enterprises. The disclosure as required under the Act is given below :

Sl. No.	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each financial year.	-	-
(ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act 2006.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

48. Capital Management

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

	As at March 31, 2019	As at March 31, 2018
Quantitative data		
Debt Equity ratio	0.12	0.06

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

49. Fair Value Management

i) Fair Value Measurement

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

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets (Non Current)						
(i) Investments						
- In Equity Instruments	6.29	-	-	8.65	-	-
(ii) Loans - Security Deposit	-	-	27.96	-	-	37.12
Total (a)	6.29	-	27.96	8.65	-	37.12
Financial Assets (Current)						
(i) Investments						
- In Mutual Funds	-	-	-	-	-	-
(ii) Trade Receivables	-	-	3,165.15	-	-	2,573.90
(iii) Cash & Cash Equivalents	-	-	27.01	-	-	115.36
(iv) Other Bank Balances	-	-	121.13	-	-	118.91
(v) Other Financial Assets	-	-	311.69	-	-	212.72
Total (b)	-	-	3,624.98	-	-	3,020.89
Total Financial assets (a+b)	6.29	-	3,652.94	8.65	-	3,058.01

Particulars	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities (Non-Current)				
(i) Borrowings	-	1,938.62	-	974.94
Total (a)	-	1,938.62	-	974.94
Financial Liabilities (Current)				
(i) Borrowings	-	5,482.81	-	5,330.79
(ii) Trade Payables	-	3,800.02	-	1,589.23
(iii) Other Financial Liabilities	1.49	959.51	0.02	935.34
Total (b)	1.49	10,242.34	0.02	7,855.36
Financial Liabilities (a+b)	1.49	12,180.96	0.02	8,830.30

ii) Fair Value of Financial Assets & Liabilities

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Loans -Security Deposits	27.96	27.96	37.12	37.12
Trade Receivables	3,165.15	3,165.15	2,573.90	2,573.90
Cash and Cash Equivalents	27.01	27.01	115.36	115.36
Other Bank Balances	121.13	121.13	118.91	118.91
Other Financial Assets	311.69	311.69	212.72	212.72
Total Financial Assets	3,652.94	3,652.94	3,058.01	3,058.01

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities				
Long Term Borrowings	1,938.62	1,938.62	974.94	974.94
Short Term Borrowings	5,482.81	5,482.81	5,330.79	5,330.79
Trade Payables	3,800.02	3,800.02	1,589.23	1,589.23
Other Financial Liabilities	959.51	959.51	935.34	935.34
Total Financial Liabilities	12,180.96	12,180.96	8,830.30	8,830.30

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

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

- The investments being listed, the fair value has been taken at the market rates of the same on the reporting dates. They are classified as Level 1 fair values in the fair value hierarchy.
- The values of non current borrowings are based on the discounted cash flows using a current borrowing rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risks, which was assessed as on the balance sheet date to be insignificant.

iii) Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ins AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables:

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

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

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

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

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

Levels	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at 31st March, 2019			
Investment in Unquoted Equity Shares	-	-	0.02
Investment in Quoted Equity Shares	6.27	-	-
Forward Exchange Forward Contract (MTM)	-	(1.49)	-

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

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

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

Particulars	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets (Non Current)						
(i) Security Deposit	-	-	27.96	-	-	37.12
Total (a)	-	-	27.96	-	-	37.12
Financial Assets (Current)						
(i) Trade Receivables	-	-	3,165.15	-	-	2,573.90
(ii) Cash & Cash Equivalents	-	-	27.01	-	-	115.36
(iii) Other Bank Balances	-	-	121.13	-	-	118.91
(iv) Other Financial Assets	-	-	311.69	-	-	212.72
Total (b)	-	-	3,624.98	-	-	3,020.89
Total Financial assets (a+b)	-	-	3,652.94	-	-	3,058.01

Particulars	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities (Non-Current)						
(i) Borrowings	-	-	1,938.62	-	-	974.94
Total (a)	-	-	1,938.62	-	-	974.94
Financial Liabilities (Current)						
(i) Borrowings	-	-	5,482.81	-	-	5,330.79
(ii) Trade Payables	-	-	3,800.02	-	-	1,589.23
(iii) Other Financial Liabilities	-	-	959.51	-	-	935.34
Total (b)	-	-	10,242.34	-	-	7,855.36
Financial Liabilities (a+b)	-	-	12,180.96	-	-	8,830.30

During the year ended 31st March 2019 and 31 March 2018, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements

50. Financial risk management objectives and policies

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

- Credit risk
- Liquidity risk
- Market risk

a) Credit Risk

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

Trade receivables : Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in note 12.

b) Liquidity risk

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

Particulars	On Demand	0 to 6 Months	More than 6 months to 1 year	More than 1 years to 5 years	More than 5 years	Total
As at 31 March 2019						
Trade & Security Deposit	17.99	-	-	-	-	17.99
Borrowings -Non Current Portion	-	-	-	1,938.62	-	1,938.62
Borrowings - Current Portion	3,404.21	2,078.60	-	-	-	5,482.81
Other Current financial liabilities	91.08	559.11	261.83	-	-	912.02
Current Maturities of Long Term Debt	-	15.92	15.07	-	-	30.99
Trade payables	-	3,759.91	40.11	-	-	3,800.02
Total	3,513.28	6,413.54	317.01	1,938.62	-	12,182.45
As at 31 March 2018						
Trade & Security Deposit	15.83	-	-	-	-	15.83
Borrowings -Non Current Portion	-	-	-	974.94	-	974.94
Borrowings - Current Portion	3,617.02	1,713.77	-	-	-	5,330.79
Other current financial liabilities	-	210.12	679.23	-	-	889.35
Current Maturities of Long Term Debt	-	15.07	15.11	-	-	30.18
Trade payables	-	1,579.97	9.26	-	-	1,589.23
Total	3,632.85	3,518.93	703.60	974.94	-	8,830.32

c) Market risk

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

- Commodity Price Risk :** The Company primarily imports raw jute , stores and spare items etc. It is exposed to commodity price risk arising out of movement in prices of such commodities. Such risks are monitored by tracking of the prices and are managed by entering into fixed price contracts, where considered necessary.
- Foreign Currency Risk :** The Company has Foreign Currency Exchange Risk on imports of input materials, Capital Equipment(s) in foreign currency for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Certain transactions of the Company act as a natural hedge as a portion of both assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the Company adopts a policy of selective hedging based on risk perception of the management using derivative, wherever required, to mitigate or eliminate the risk.

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

(i) Exposure to currency risk

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

Unhedged Foreign Currency Exposure

Particulars	As at 31st March, 2019					
	USD	INR	EUR	INR	GBP	INR
Financial Assets						
Trade Receivables	174,146	88.93	13,232	10.32	623	0.58
Financial Liabilities						
Buyers Credits	-	-	-	-	-	-
Trade Payables & Others	51,061	34.14	-	-	-	-
(Net Exposure)/Exposure in foreign currency	(123,085)	(54.78)	13,232	10.32	623	0.58

Particulars	As at 31st March, 2018					
	USD	INR	EUR	INR	GBP	INR
Financial Assets						
Trade Receivables	1,074,201	698.70	90741	73.16	6,652	6.14
Financial Liabilities						
Buyers Credits	497,475	323.58	-	-	-	-
Trade Payables & Others	-	-	-	-	-	-
(Net Exposure)/Exposure in foreign currency	(576,726)	(375.12)	90,741	73.16	6,652	6.14

(ii) Hedged Foreign Currency Exposure

Particulars	As at 31st March, 2019					
	USD	INR	EUR	INR	GBP	INR
Derivative Assets						
Forward Contract against Trade Receivable	676,034	478.74	33,702	27.20		
Derivative Liabilities						
	-	-	-	-	-	-
(Net Exposure)/Exposure in foreign currency	676,034	478.74	33,702	27.20	-	-

Particulars	As at 31st March, 2018					
	USD	INR	EUR	INR	GBP	INR
Derivative Assets						
Forward Contract against Trade Receivable	130,603	84.95	-	-	25,779	23.79
Derivative Liabilities						
	-	-	-	-	-	-
(Net Exposure)/Exposure in foreign currency	130,603	84.95	-	-	25,779	23.79

Sensitivity Analysis

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

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

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
USD Sensitivity (Increase)	5%	2.74	1.82	5%	18.76	14.93
USD Sensitivity (Decrease)	5%	(2.74)	(1.82)	5%	(18.76)	(14.93)
EUR Sensitivity (Increase)	5%	0.52	0.34	5%	3.66	2.91
EUR Sensitivity (Decrease)	5%	(0.52)	(0.34)	5%	(3.66)	(2.91)
GBP Sensitivity (Increase)	5%	0.03	0.62	5%	0.31	0.24
GBP Sensitivity (Decrease)	5%	(0.03)	(0.62)	5%	(0.31)	(0.24)

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

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

Exposure to interest rate risk

Particulars	As at 31st March, 2019	As at 31st March, 2018
Fixed Rate Instruments		
Financial Assets	56.00	52.67
Financial Liabilities	-	-
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	7,452.42	6,335.91

Interest rate sensitivity

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

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Interest Rate (Increase)	+100	(74.52)	(49.65)	+100	(63.36)	(42.41)
Interest Rate (Decrease)	-100	74.52	49.65	-100	63.36	42.41

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

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lakhs)

Exposure to other market price risk

Particulars	As at 31st March, 2019	As at 31st March, 2018
Investment in Equity Instruments	6.27	8.63

Sensitivity Analysis

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

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit before Tax	Other Equity		Profit before Tax	Other Equity
Market Rate (Increase)	+10%	0.63	0.42	+10%	0.86	0.58
Market Rate (Decrease)	-10%	(0.63)	(0.42)	-10%	(0.86)	(0.58)

51. During the 3rd quarter a fire broke out in the factory and inventory worth ₹ 137.98 lakhs were impacted. After considering the salvage value the balance claim amount has been shown in the Insurance Claim receivable accounts. The Management does not foresee any other losses on this accounts.
52. The Board of Directors of the Company has recommended to pay a final dividend @ 15% (₹1.50 per share on Face Value of ₹ 10/-) amounting to ₹ 161.60 lakhs (which will attract liability towards Dividend Distribution Tax amounting to ₹ 33.22 lakhs) subject to the approval of shareholders in the Annual General Meeting.
53. Figures for the previous year have been re grouped / re arranged , wherever found necessary.

The Accompanying Notes are an integral part of the Financial Statements

As per our Report annexed.

For **JKV & Co.**

Chartered Accountants

Firm registration No. 318086E

For and on behalf of the Board

SUPRIO GHATAK

Partner

Membership No. 051889

5A, Nandlal Jew Road, Kolkata - 700026

The 3rd, day of May, 2019

R. K. Gupta

Chief Financial Officer

Pratibha Jaiswal

Company Secretary

Tonmoy Bera

Managing Director

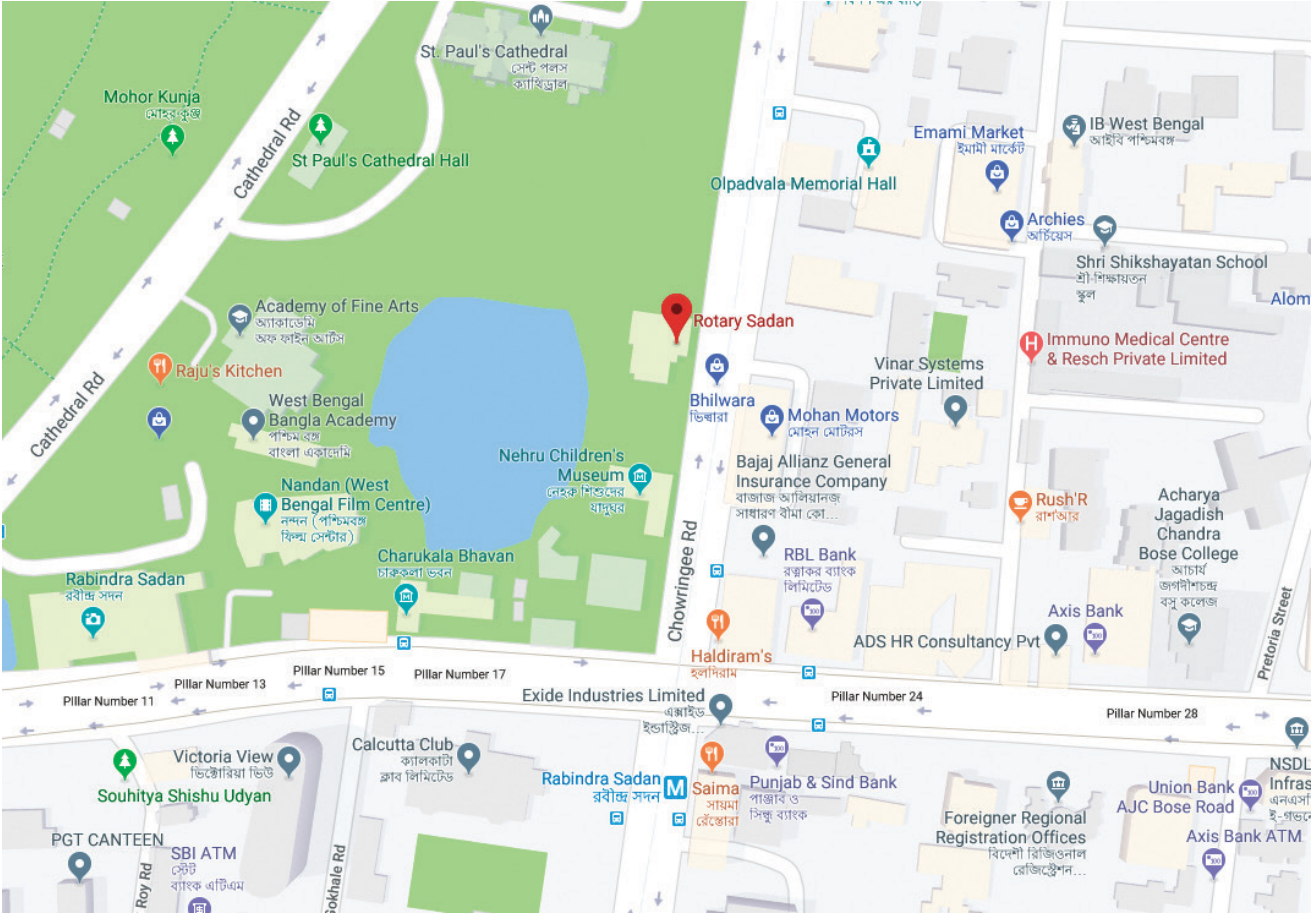
DIN - 08342972

R. V. Kanoria

Non-Executive Chairman

DIN - 00003792

ROUTE MAP





Ludlow Jute & Specialities Ltd

w w w . l u d l o w j u t e . c o m

Printing consultants:
Manjari Enterprises (print@manjari.net)

Head Office-

Ludlow Jute & Specialities Limited
KCI Plaza, 4th Floor, 23C,
Ashutosh Chowdhury Avenue,
Kolkata-700 019, India.
Phone :- 033- 4050 6300
Fax :- 033- 4050 6333, 4050 6334

Manufacturing-

Ludlow Jute & Specialities Limited
P.O. Chengail, Howrah- 711 308 (W.B.)
P: +91 33 2642 8366/ 8820/ 9821
F: +91 33 2642 8367
www.ludlowjute.com

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 : info@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 40th Annual General Meeting of the Company, to be held on Wednesday, 4th September, 2019 at 11.00 a.m. at Shripati Singhanian 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.	Adoption of Audited Financial Statements and for the year ended 31 st March, 2019 along with Board's Report & the Auditors Report.		
2.	Declaration of Dividend for the year ended 31 st March, 2019.		
3.	Re-Appointment of Mr. Rajya Vardhan Kanoria (DIN: 00003792) who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
4.	Re-appointment of Mr. Jugal Kishore Bhagat (DIN: 00055972), as an Independent Director for another term of 5 years.		
5.	Re-appointment of Mr. Biswajit Choudhuri (DIN: 00149018), as an Independent Director for another term of 5 years.		
6.	Re-appointment of Mr. Satish Kapur (DIN: 00051163), as an Independent Director for another term of 5 years.		
7.	Appointment of M/s. SPK Associates, Cost Accountants (Firm Reg. No.: 000040), as Cost Auditors for the financial year ended on 31 st March 2020.		

Signed this day of 2019



Signature of Shareholder (s)

Signature of Proxy holder(s)

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the Resolutions, notes and statement on special business, please refer to the Notice of the Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated to the Box. If you leave the 'For' or 'Against' column blank against any or all 'Resolutions' your proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) in the above box before submission.

LUDLOW JUTE & SPECIALITIES LIMITED

CIN: L65993WB1979PLC032394

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

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

E-Mail : info@ludlowjute.com, Website: www.ludlowjute.com

ATTENDANCE SLIP

I hereby record my presence at the 40th Annual General Meeting of the Company being held **on Wednesday, 4th September, 2019 at 11.00 a.m. at Shripati Singhania Hall in Rotary Sadan, 94/2, Chowringhee Road, Kolkata – 700 020.**

Name & Address of the shareholder		
Registered Folio No. / DP ID & Client ID		
Joint Holder(s)		
Details of Shares held	Class of Equity Shares	No. of Shares Held
	Equity	

Name of Proxy (in BLOCK LETTERS)

Signature of Shareholder/Proxy Present

Note:

- Shareholder / Proxy desiring to attend the meeting is requested to bring his / her / their Attendance Slip duly filed in and signed, to the meeting hall and hand over at the entrance.
- Shareholder / Proxy desiring to attend the meeting is requested to bring his / her / their copy of the Annual Report for reference at the meeting.

Note: Please cut here and bring the above Attendance Slip to meeting.

ELECTRONIC VOTING PARTICULARS

EVSN (E-voting Sequence Number)	USER ID	Password
190805003		
E-Voting facility is available during the following voting period		
Commencement of E-Voting		End of E-voting
Sunday, 1 st September, 2019 (09.00 a.m.)		Tuesday, 3 rd September, 2019 (05.00 p.m.)
Please refer to the e-voting instructions annexed hereto		

