

**ANNUAL REPORT**  
**2008 - 2009**



**LUDLOW JUTE & SPECIALITIES LIMITED**  
**(formerly Aekta Limited)**

**BOARD OF DIRECTORS**

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

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**Registered Office**

6, Little Russell Street  
Kolkata - 700 071

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**Works**

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

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**Bankers**

Central Bank of India  
Canara Bank  
Allahabad Bank

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**Auditors**

Singhi & Co.  
*Chartered Accountants*

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**President (Works)**

B. M. Thakkar

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**Vice President (Finance & Accounts)**

R. K. Gupta

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**Registrar and Share Transfer Agents**

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

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**NOTICE****TO THE SHAREHOLDERS**

**NOTICE** is hereby given that the Thirtieth Annual General Meeting of the members of **LUDLOW JUTE & SPECIALITIES LIMITED** (formerly Aekta Limited) will be held at Sitaram Sekseria Auditorium at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700 017 on Thursday, the 27th day of August, 2009 at 11.00 A.M., to transact the following business :

**ORDINARY BUSINESS :**

1. To consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2009, the Balance Sheet as at that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri A. C. Mukherji, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri R. V. Kanoria, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s); the following resolution as an **Ordinary Resolution** :

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

**SPECIAL BUSINESS :**

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

**"RESOLVED THAT** pursuant to the provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Satish Kapur, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company, subject to retirement by rotation under the provisions of the Articles of Association of the Company."

Registered Office :  
6, Little Russell Street  
Kolkata - 700 071  
27th day of June, 2009

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

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution/Power of Attorney, authorizing their representatives to attend and vote at the Annual General Meeting.
3. The Register of Members and Share Transfer Books shall remain closed from 12.08.2009 to 27.08.2009 (both days inclusive).
4. Dividend, if approved by the shareholders at the AGM, will be paid within 30 days from the date of AGM, to those Members -
  - (a) Whose names appear as Beneficial Owners as at the end of business hours on 11th August 2009, in the list furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and

- (b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 11th August, 2009.
5. Dividend which remain unpaid/unclaimed over a period of seven years will have to be transferred by the Company to 'Investor Education and Protection Fund' of the Central Government under section 205A & 205C of the Companies Act, 1956. Shareholders are advised to encash the unpaid dividend warrants before transfer to the above referred fund.
6. Members are requested to notify immediately any change of address and also particulars of their Bank Accounts viz., Name of the Bank, branch, complete address of the Bank and Bank account number for printing the same on the Dividend Warrants to avoid fraudulent encashment :
  - to their Depository Participants (DP) in respect of their Demat Account(s); and
  - to the Company at its registered office or to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form.
7. The Company will be providing ECS facility to the shareholders, whereby they will be able to receive their dividend by direct electronic credit to their bank account(s). In the absence of availing of the ECS

## Ludlow Jute & Specialities Limited

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

### Annexure to the Notice

#### Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

In terms of Section 173(2) of the Companies Act 1956, the following Explanatory Statement sets out all material facts relating to item 6.

#### 1. Item No. 6

The Board of Directors of the Company ("The Board") had, pursuant to the provisions of section 260 of the Companies Act, 1956 and Article 84 of the Articles of Association of the Company, at its meeting held on 29th January 2009, appointed Shri Satish Kapur, as the Additional Director of the Company.

In terms of the provisions of section 260 of the Act, Shri Satish Kapur will hold office up to the date of this Annual General Meeting.

Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice in writing from a member signifying his intention to propose the candidature of Shri Satish Kapur for the office of Director of the Company.

Shri Satish Kapur, a Xaverian, is the Honorary Consul of Consulate of Finland, Kolkata and Honorary Director, Consular Corps of Kolkata. He is the managing partner of K. S. Development Corporation and Trident Trading Corporation. He is the Chairman

of WACSGEN Limited owning cold storages and warehouses. He is in the committee of the Indian Chamber of Commerce and Bharat Chamber of Commerce, the two leading Chambers of Commerce in Eastern India. He is in the Board of Jayshree Chemicals Limited and Hindustan Engineering & Industries Limited.

He has held various positions like being the Past President of Saturday Club and Rotary Club of Kolkata. He has served in the committee of the Tollygunge Club Limited, the Royal Calcutta Turf Club, International Corrugated Case Association-Paris and has been the Past President of the Federation of Corrugated Box Manufacturers Association of India and is now a permanent invitee to the committee.

The Board recommends the resolution set out at Item no. 6 of the Notice, for your approval.

Shri Satish Kapur may be deemed to be concerned or interested in the resolution relating to his appointment. He does not hold any shares in the Company.

Registered Office :  
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27th day of June, 2009

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

## DIRECTORS' REPORT TO THE SHAREHOLDERS,

Your Directors have pleasure in presenting their Annual Report and Audited Accounts along with the Auditor's Report thereon of the Company for the year ended 31st March, 2009.

(Rs. in crores)

<b>FINANCIAL RESULTS</b>	<b>2008-2009</b>	<b>2007-2008</b>
Profit before Depreciation	6.21	5.93
Less : Depreciation	2.05	1.61
Profit for the year	4.16	4.32
Less : Provision for Current Taxation	1.60	2.35
Less/(Add) : Provision for Deferred Taxation	(0.30)	(1.04)
Less : Fringe Benefit Tax	0.08	0.08
Less : Income Tax for earlier years	0.49	—
Profit after Tax	2.29	2.93
(Less)/Add : Balance brought forward from last year	2.80	1.96
(Less)/Adjusted for gratuity	—	(0.83)
	2.80	1.13
Balance carried forward and available for appropriation	5.09	4.06
Appropriated as under :		
Proposed Dividend	1.08	1.08
Corporate Dividend Tax	0.18	0.18
Balance carried to Balance Sheet	3.83	2.80

### DIVIDEND

In view of the sustained working results during the year, the Board of Directors are pleased to recommend a dividend of Re.1.00 per share (i.e 10%) on 1,07,73,120 equity shares, aggregating to Rs. 1,26,04,012.00 including Corporate Dividend Tax of Rs. 18,30,892.00 subject to approval of the members of the Company.

### OPERATIONS

During the year under review, the Company's sale was Rs.172.51 crores and exports were Rs. 60.15 crores against sales of Rs.156.85 crores and exports of Rs.70.11 crores during the previous year. The production during the current year was 46788 M.T. whereas the same was 47906 M.T. during the previous year.

During the year, unfortunately, there was an industry

wide strike for 18 days from 1st December, 2008 to 18th December, 2008 and the production resumed thereafter gradually which adversely affected the production, sales and exports of the Company during the year.

The continuous thrust on modernization and diversification has helped your Company to adjust the product mix as per market requirements.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### Industry Structure and Development

- The Jute Packaging Materials (Compulsory use for Packing Commodities) Act 1987 (JPMA), which makes it compulsory for 100% packaging of Food grains and Sugar in Jute was extended till June, 2009. However due to increased demand for packaging of food grains in the

midst of Industry wide strike, the Government diluted the JPMA to a good extent during the year. Further, a 20% dilution was allowed for packaging of sugar as well. The continuation of the 100% usage for the current year is vital to the industry. It is unfortunate that frequent strikes in jute mills are seriously affecting the interest of farmers & labourers, connected with Jute and disrupts the supply chain affecting both domestic and overseas consumers. In view of the ecological reasons, continued availability of the Jute Bags for packing food grains and other uses is of vital importance and should not be compromised at any cost.

- ii) Since Jute Mills in Bangladesh enjoys lower wages, lower power cost and substantial Government assistance, it is essential that the same treatment be accorded to the Indian Jute Industry as well by providing suitable Export Market Allowance applicable to all composite Jute Mills against export of Jute Yarn to enable them to compete in the International Market. Jute Yarn is an important component in export of jute goods and needs special attention not only to increase but even to maintain the current level of export of Jute Yarn.

### OPPORTUNITIES AND THREATS/RISKS AND CONCERNS

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

- a) Competition from Bangladesh, which enjoys substantial benefits of lower wages and power cost, apart from getting sizeable Government assistance against exports.
- b) Economic meltdown in Europe and USA, in particular and globally in general has affected the exports of jute products adversely, particularly in items connecting to the housing sector.
- c) Growing competition with cheaper synthetics which is fraught with ecological hazard. There is a need for well thought out plan to replace synthetic with Bio Degradable product like Jute in the near future.
- d) Continuous increase in Dearness Allowance of workers, without any corresponding increase in productivity which may lead to further

increase in wage cost, which is already substantially higher than competitors at Bangladesh.

- e) Disruption of work due to Industry wide strikes is a major setback for the Industry as it affects the confidence of the consumers.
- f) Establishment of new units with lower wages, non application of statutory benefits and various incentives for new comers, in West Bengal and elsewhere is unhealthy and an impediment towards the viability, modernization and diversification of the existing units.

### OPPORTUNITIES

Jute being a Biodegradable product will ultimately replace synthetic and other materials. Jute Industry has an opportunity to research the market and manufacture goods which may replace synthetic both in India and abroad. Apart from packaging materials, several other diversified fields where the usage of Jute can be introduced, for the benefits of all concerned, need to be explored. For this, the Industry has to be innovative and equip itself with the necessary equipments.

### SEGMENTWISE OR PRODUCTWISE PERFORMANCE

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

Within India	Rs. 110.81 crores
Outside India	Rs. 60.15 crores
<b>Total</b>	<b><u>Rs. 170.96 crores</u></b>

### OUTLOOK

During the current year, Raw Jute Crop is expected to be higher than last year but due to very low carry over stock, the raw jute prices are expected to remain at high levels throughout the year. The Company is also facing absenteeism causing imbalances at times, which results in lower production and higher cost. It is important that the workmen realize the importance of regular attendance, without which the profitability & competitiveness of the mills will be

seriously affected. The Company is trying to curtail absenteeism by giving special incentives to workers.

In the face of high raw material cost, the manufacture and export of Jute Yarn is not expected to be remunerative due to severe competition from Bangladesh. However, on the whole, the working results for 2009-10 will be some what dependent on availability of raw jute at reasonable prices, regular attendance of workmen and prevailing market conditions of finished goods during the year.

The year 2009 has been coined as the year of 'Natural Fibre' year. This is a great opportunity for the Jute Industry to promote jute as the best substitute for synthetic material, which is being recognized as hazardous for packaging purpose particularly for ecological concerns.

Jute products can be made hydro carbon free by replacing petroleum produce with vegetable oil, which will improve its properties for its improved application in food products and other usages which in turn will help preserve the health of the nation.

Industry has appointed Ernst & Young to make an in depth study on Jute Industry and the report is expected to unleash a plethora of opportunities for various sectors connected to Jute, viz. farmers, producers, processors, workmen, consumers etc.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

As a result of better marketing strategy, improvement in productivity and other measures undertaken, the Company has been able to increase its production/ productivity and procure substantial export orders during the year and is thereby able to achieve an all round improvement in production, sales, export and profitability during the year. With continuous thrust on modernization, new product development, productivity and cost control measures, the Company looks to the future with optimism and strength.

#### **CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis Report, describing Company's objective,

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

#### **ISO CERTIFICATION**

The Company is pleased to state that it has obtained ISO 9001:2000 Certification for all its products and the same is valid till 4th day of August, 2011.

#### **DIRECTORS**

Shri A. C. Mukherji and Shri R. V. Kanoria retires from the Board by rotation, and being eligible, offers themselves for reappointment at the ensuing Annual General Meeting.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2009 on 'a going concern' basis.

**CORPORATE GOVERNANCE REPORT**

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

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

**AUDITORS AND AUDITORS' REPORT**

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

Pursuant to provisions of Section 233B of the Companies Act, 1956, Messrs. Prasad & Co., Cost Accountants has been appointed, subject to requisite approval of the Central Government, to conduct an audit of the Cost Accounts maintained by the Company for the year ending 31st March 2010.

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The 27th day of June, 2009

During the year, the Company has fully provided for gratuity as per actuarial valuation basis in compliance with Revised Accounting Standard 15.

**PARTICULARS OF EMPLOYEES**

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

**ENERGY CONSERVATION**

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this Report.

**SUBSIDIARIES**

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

**APPRECIATION**

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

For and on behalf of the Board

**S. S. Kanoria**  
*Executive Chairman*



## ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2009.

## I. CONSERVATION OF ENERGY :

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

(a) During the year, the Company has taken various measures to economize on Electricity consumption by –

- Installing lower H.P. Motors, wherever possible.
- Replacement of old Motors with new Energy Efficient Motors.
- Continuous replacement of conventional choke with electronic choke.
- Optimization of machine speed, particularly in Spinning Frames, keeping in view the optimum productivity.
- Change of Belts to reduce slippage and better utilization and conservation of power.
- Maintenance of all machines, including boiler and compressor to make them energy efficient and minimize losses.

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

(c) Impact of measures undertaken and under process is reflected in lower consumption of electricity per M.T. of finished goods production during the year.

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

	2008-2009	2007-2008
<b>A. Power &amp; Fuel Consumption :</b>		
1. Electricity :		
a) Purchased :		
Unit (in lacs)	200.86	216.25
Total Amount (Rs. in lacs)	852.13	846.50
Rate / unit (Rs.)	4.24	3.91
b) Own Generation :		
Through Diesel Generator		
Unit (in lacs)	6.45	4.72
Unit per litre of Diesel Oil	2.66	2.59
Cost / unit (Rs.)	13.85	12.34
2. Coal (used for generation of steam in boiler) :		
Quantity (in tons)	725	836
Total Cost (Rs. in lacs)	36.17	30.50
Average Rate (Rs.)	4989	3648
<b>B. Consumption per unit of production :</b>		
Products (Unit : M.T.)	46788	47906
Electricity (KWH)	443.09	461.26
Coal (Steam Kgs.)	86	93

**II. TECHNOLOGY ABSORPTION :**

**Research & Development (R & D)**

**(a) Specification of technology :**

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

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

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

**(d) Expenditure on R & D :**

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

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

**(a) Export activities :**

During the year under review, the FOB value of the exports of the Company was Rs. 4977 lacs as against Rs. 6249 lacs in the last year.

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

Used - Rs. 527 lacs  
 Earned - Rs. 6170 lacs

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 The 27th day of June, 2009

For and on behalf of the Board

**S. S. Kanoria**  
*Executive Chairman*

**ANNEXURE TO THE DIRECTORS' REPORT**

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

and forming part of the Directors' Report for the year ended 31st March, 2009 in respect of the employees in receipt of remuneration for the year, aggregating not less than Rs.24,00,000/- per year or Rs. 2,00,000/- per month.

Name	Designation	Remuneration Received (Rs.)	Qualification	Experience (years)	Date of joining	Age (years)	Particulars of Last employment held
1. Shri S. S. Kanoria	Executive Chairman	31,35,000	B. A. (Hons.)	59	01.10.2007	81	Kirtivardhan Finvest Services Limited as Executive Chairman
2. Shri D. K. Bubna	Executive Director cum Company Secretary	27,48,000.00	M.Com, LLB, FCS, FICWA	43	09.12.1995	62	Anglo India Company Limited as President

Remuneration received includes Basic Salary, Allowances, Contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc. (the above does not include Provision for Gratuity & Leave Encashment).

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

### 2. BOARD OF DIRECTORS

#### 2.1 Composition of the Board

The strength of the Board of Directors as on 31st March, 2009 is 9 (nine), comprising of 7 (seven) non-executive and 6 (six) non-executive, independent Directors. More than 75% of the present Board are non-executive. The Board is headed by the Executive Chairman. The Company, therefore meets with the requirements relating to the composition of Board of Directors as laid down in clause 49.

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

5 (five) meetings of the Board of Directors were held during the year ended 31st March, 2009. The intervening period between two Board Meetings was well within the maximum time gap of four months prescribed in Clause 49 of the Listing Agreement.

The meetings were held on :

- |                     |                           |
|---------------------|---------------------------|
| 1. 29th April, 2008 | 4. 31st October, 2008 and |
| 2. 28th June, 2008  | 5. 29th January, 2009.    |
| 3. 24th July, 2008  |                           |

The composition and category of the Directors on Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also number of directorships and committee memberships/ chairmanships and number of shares held by them as on 31st March, 2009 are as follows :

Name of Directors	Position held	Category/ Classification	No. of Board Meetings attended	Attend-ance in last AGM	No. of shares held	No. of other Director-ships	Details of other Board Committee Membership	
							Member	Chairman
Shri S. S. Kanoria	Chairman	Executive (Promoter)	4	Yes	5200	5	-	-
Shri R. V. Kanoria	Director	Non-Executive Non-Independent	3	No	5100	9	1	-
Shri A. C. Mukherji	Director	Non-Executive Independent	5	Yes	-	7	4	4
Shri J. K. Bhagat	Director	Non-Executive Independent	2	Yes	-	5	4	-
Shri I. P. Poddar	Director	Non-Executive Independent	5	Yes	-	1	-	-
Shri B. Choudhuri	Director	Non-Executive Independent	4	Yes	-	10	3	3
Shri A. K. Basu*	Director	Non-Executive Independent	Nil	No	-	2	-	2
Shri L. G. Toolsidass	Director	Non-Executive Independent	5	Yes	-	3	-	-
Shri Satish Kapur**	Director	Non-Executive Independent	1	-	-	4	1	-
Shri D. K. Bubna	Executive Director cum Company Secretary	Executive	5	Yes	400	1	-	-

\*It is to be noted that Shri A. K. Basu due to his ill health, tendered his resignation from the Board and its Committees on 31.10.2008.

\*\*Shri Satish Kapur was co-opted to the Board as an Additional Director on 29.01.2009. His appointment is subject to the resolution passed by the shareholders in this AGM to be held on 27.08.2009.

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

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

## 2.2 Remuneration of Directors (Executive and Non-Executive)

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

### A. Non-Executive Directors

Name of the Directors	Sitting Fees (Rs.)	Salary (Rs.)	Commission (Rs.)	Service Contract	Notice Period	Stock Options
Shri R. V. Kanoria	15000/-	-	-	N.A.	N.A.	N.A.
Shri J. K. Bhagat	22000/-	-	-	N.A.	N.A.	N.A.
Shri A. C. Mukherji	33000/-	-	-	N.A.	N.A.	N.A.
Shri A. K. Basu	3000/-	-	-	N.A.	N.A.	N.A.
Shri I. P. Poddar	40000/-	-	-	N.A.	N.A.	N.A.
Shri B. Choudhuri	26000/-	-	-	N.A.	N.A.	N.A.
Shri L. G. Toolsidass	29000/-	-	-	N.A.	N.A.	N.A.
Shri Satish Kapur	5000/-	-	-	N.A.	N.A.	N.A.

### B. Executive Chairman

Name	Designation	Sitting fees (Rs.)	Commission (Rs.)	Salary * (Rs.)
Shri S. S. Kanoria	Executive Chairman	Nil	Nil	31,35,000/- p.a.

#### Notes :

- The Executive Chairman is paid remuneration as per his agreement with the Company. His appointment as Executive Chairman of the Company along with the terms and conditions of his appointment has been duly approved by the members of the Company at a duly convened Extra Ordinary General Meeting held on 09.01.2008.
- His appointment in the said capacity is from 01.10.2007. The figures shown above is the total salary paid from 01.04.2008 to 31.03.2009.
- \*Salary includes Basic Salary, Allowances, contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc, the break-up of which is as below :
  - Basic Salary : Rs. 24,00,000.00 p.a.
  - Perquisites : Rs. 4,95,000.00 p.a.
  - Provident fund : Rs. 2,40,000.00 p.a.
 (the above does not include provision for gratuity and leave encashment)
- His appointment is for a tenure of three years commencing from 01.10.2007 to 30.09.2010.

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

### C. Executive Director

Name	Designation	Sitting fees (Rs.)	Commission (Rs.)	Salary * (Rs.)
Shri D. K. Bubna	Executive Director cum-Company Secretary	Nil	Nil	27,48,000/- p.a.

#### Notes :

1. The Executive Director cum Company Secretary is paid remuneration as per his agreement with the Company.
2. \*Salary includes Basic Salary, Allowances, contribution to Provident and other Funds and Perquisites (including monetary value of Perquisites) etc, the break-up of which is as below :
  - Basic Salary : Rs. 16,80,000.00 p.a.
  - Perquisites : Rs. 9,00,000.00 p.a.
  - Provident fund : Rs. 1,68,000.00 p.a.
 (the above does not include provision for gratuity and leave encashment)
3. His re-appointment is for a tenure of three years commencing from 01.06.2007 to 31.05.2010.
4. The Company does not have any scheme for grant of stock options to its Directors or Employees.
5. For termination of Agreement, the Company or the Executive Director cum Company Secretary is required to give a notice of three months or three months' salary in lieu thereof.

### 2.3 Re-appointment of Directors

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

#### I.

i. Name of the Director	Shri Rajya Vardhan Kanoria
ii. Date of birth	23.02.1955
iii. Date of appointment	08.11.2006
iv. Expertise in specific functional areas	An Industrialist having rich business experience and vast knowledge.
v. List of other Directorships held	<ul style="list-style-type: none"> <li>a) Kanoria Chemicals &amp; Industries Limited</li> <li>b) Kirtivardhan Finvest Services Limited</li> <li>c) The Pradeshiya Industrial &amp; Investment Corporation of U.P Limited</li> <li>d) KPL International Limited</li> <li>e) J K Paper Limited</li> <li>f) Cholamandalam DBS Finance Limited</li> <li>g) R. V. Investment &amp; Dealers Limited</li> <li>h) Suprawin Technologies Limited</li> <li>i) KCI Alco Chem Limited</li> </ul>

- vi. Chairman/Member of Committees of the Board (Other than Company) of the Companies in which he is a Director :

Name of the Company	Committee	Chairman	Member
J. K. Paper Limited	Audit	-	Yes

- vii. Shareholding in the Company
- 5100 shares

**II.**

i. Name of the Director	Shri Arun Charan Mukherji
ii. Date of birth	10.12.1925
iii. Date of appointment	14.03.1996
iv. Expertise in specific functional areas	Past Chairman of New India Assurance Co. and an eminent personality having vast knowledge and experience.
v. List of other Directorships held	a) Kirloskar Pneumatic Co. Limited b) Asiatic Oxygen Limited c) Birla VXL Limited d) U.T. Limited e) NPR Finance Limited f) VXL Technologies Limited g) Sahara India Life Insurance Co. Ltd

vi. Chairman/Member of Committees of the Board (Other than Company) of the Companies in which he is a Director :

Name of the Company	Committee	Chairman	Member
a) Kirloskar Pneumatic Co. Limited	Audit	Yes	-
b) Birla VXL Limited	Audit	Yes	-
c) Birla VXL Limited	Investor Grievance	-	Yes
d) Sahara India Life Insurance Co. Limited	Audit	Yes	-
e) Asiatic Oxygen Limited	Audit	-	Yes
f) NPR Finance Limited	Audit	-	Yes
g) U.T. Limited	Audit	Yes	-
h) VXL Technologies Limited	Audit	-	Yes

vii. Shareholding in the Company : NIL

**3. AUDIT COMMITTEE**

- (i) The Audit Committee consists wholly of Independent Directors having requisite knowledge of finance, accounts and company law. The role and terms of reference of this Committee is in line with Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee, inter-alia, acts as a vital link between the statutory and internal auditors and the Board of Directors.
- (ii) At present, the Committee comprises of Shri A.C. Mukherji (as its Chairman) and Shri B. Choudhuri, Shri L.G. Toolsidass, Shri I. P. Poddar as its members. The said Committee was reconstituted during the year and before its reconstitution, it comprised of Shri A. C. Mukherji (as its Chairman) and Shri A. K. Basu, Shri B. Choudhuri, Shri I.P. Poddar as its members. The said Committee is mandated to meet at least four times in a year, once to assess the audited accounts for the year before they are put up to the Board, besides meeting at least once in 4 months in the usual course.
- (iii) 4 (four) Audit Committee meetings were held during the year ended 31st March, 2009, dates being 28.06.2008, 24.07.2008, 31.10.2008 and 29.01.2009. The attendance of each Committee Member is as under :

Name of Member	Status	No. of Meetings attended
Shri A. C. Mukherji	Chairman	4
Shri A. K. Basu*	Member	0
Shri I. P. Poddar	Member	4
Shri B. Choudhuri	Member	3
Shri L. G. Toolsidass*	Member	1

\* Shri A. K. Basu was the member of the Audit Committee till 31.10.2008 and Shri L.G. Toolsidass became a member of the said Committee from 31.10.2008.

(iv) Shri D.K. Bubna, Executive Director cum Company Secretary acts as the Secretary to the said Committee.

Shri R.K. Gupta, Vice President (Finance & Accounts) is also an invitee to the Committee and he remained present at all the meetings of the Audit Committee.

(v) The broad functions of the Audit Committee are :

- a) To discuss and review the comment on Internal Audit Reports submitted by Company's Internal Auditors.
- b) To review the progress on implementation of the suggestions made by the Systems Department and Internal Auditors.
- c) To discuss and review the observations of Internal Auditors, cost control measures, statutory compliances etc. in various functional areas.
- d) To discuss the Quarterly and Annual financial results of the Company and submit the observation to the Board of Directors.
- e) To interact with Statutory Auditors on the Annual Accounts and other accounting matters.

#### 4. SHARE TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

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

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

\* Shri A. K. Basu was the member of the said Committee till 31.10.2008 and Shri L.G. Toolsidass became a member of the said Committee from 31.10.2008.

The Committee meets at least once in a month.

(ii) The Committee looks into redressal of shareholder's complaints like transfer of shares, transmissions, demat and remat of shares etc, redressal of shareholders/investors grievances. The total number of complaints received during the year under review was 26 and all were addressed and replied to the satisfaction of shareholders.

Outstanding complaints as on 31st March, 2009 was nil.

(iii) Shri D. K. Bubna, the Executive Director cum Company Secretary is the Compliance Officer of the Company.

#### (iv) Business Transacted

- Ratification of share transfers effected by the Executive Director cum Company Secretary.
- Transfer and transmission of shares.
- Issue of duplicate share certificates.
- Consolidation and sub-division of shares.
- Review of routine complaints and corrective action taken.

**5. REMUNERATION COMMITTEE**

- (i) The Committee is responsible for recommending to the Board of Directors to review and/or determine and recommend the remuneration package of the executive directors of the Company in accordance with the guidelines laid out by the statute and the Listing Agreement with the stock exchanges.
- (ii) The Company has one Executive Chairman and one Executive Director on the Board, whose appointment and remuneration is approved by the Shareholders of the Company on recommendation of the Board of Directors of the Company, duly recommended by the Remuneration Committee.
- (iii) The present composition of the Remuneration Committee is as under :

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

The Remuneration Committee was reconstituted during the year and before reconstitution, it consisted of Shri A. K. Basu (as its Chairman), Shri B. Choudhuri and Shri L. G. Toolsidass as its members.

- (iv) There was no requirement of any meeting of the Remuneration Committee during the financial year ending 31.03.2009, hence no meeting was held.

**6. CODE OF CONDUCT**

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

**7. GENERAL BODY MEETINGS**

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

Annual General Meeting (AGM)	Day, Date & Time	Venue
27th AGM	Monday, 25th September 2006 at 11:00 A.M.	“Bharatiya Bhasha Parishad” 36A, Shakespeare Sarani, Kolkata - 700 017
28th AGM	Thursday, 30th August 2007 at 10:30 A.M.	“Bharatiya Bhasha Parishad” 36A, Shakespeare Sarani, Kolkata - 700 017
29th AGM	Thursday, 28th August 2008 at 10:30 A.M.	“Bharatiya Bhasha Parishad” 36A, Shakespeare Sarani, Kolkata - 700 017

**NOTE :**

- (i) No special resolution was passed in the 27th and 29th AGM. There were 2 special resolutions passed in the 28th AGM, one pertaining to re-appointment and remuneration of Shri D. K. Bubna as the Executive Director cum Company Secretary of the Company and the other one was for voluntary de-listing of equity shares of the Company from The Calcutta Stock Exchange Association Limited.



- (ii) 3 special resolutions were passed in the EGM held on 09.01.2008. One was passed pursuant to section 163 of the Companies Act, 1956 in connection with the keeping of Register of Members, Index of Members and copies of the Annual Returns etc. at the office of the Company's Registrar and Share Transfer Agents, MCS Limited, 77/2A, Hazra Road, Kolkata-700 029 and second was for seeking approval for appointment and remuneration of Shri S. S. Kanoria as the Executive Chairman of the Company, w.e.f. 01.10.2007. The third was for seeking approval u/s 21 of the Companies Act, 1956 for change of name of the Company from Aekta Limited to Ludlow Jute & Specialities Limited.
- (iii) No Special Resolutions through Postal Ballot was passed by the Company in the financial year 2007-2008. The Company has transacted a special business by way of postal ballot through which special resolutions for change in the object clause of the Company were proposed to be considered and passed by the Shareholders of the Company. Although, the notice for such postal ballot was dated 20.03.2008, the results of the same was declared on 24.04.2008. The resolutions were passed as special resolutions. Mr. B. N. Khandelwal, Practising Company Secretary, was appointed as the scrutinizer for conducting the postal ballot.
- (iv) There is no proposal of any special resolution to be passed through postal ballot in the upcoming AGM to be held on 27.08.2009.

## **8. DISCLOSURES**

- (i) The non-executive Directors have no pecuniary relationship or transactions with the Company in their personal capacity. Non-executive Directors were not paid any remuneration except the sitting fees for attending various meetings of Board/ Committees.
- (ii) Related party transactions entered in the ordinary course were placed before the Board.
- (iii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or by any other statutory authority on any matter related to capital markets, during the last three years.

## **9. SUBSIDIARY COMPANY**

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

## **10. MEANS OF COMMUNICATION**

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

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

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

## **11. GENERAL SHAREHOLDERS INFORMATION**

### **11.1 The Registered Office of the Company is situated at**

6, Little Russell Street, Kolkata - 700 071  
Phone : (033) 2283-9081/9082/9083  
Fax : (033) 2283-9078/ 4503  
e-mail : ludlow@giasl01.vsnl.net.in  
website : www.ludlowjute.com

### **11.2 Address for Correspondence/Corporate Office is same as given above.**

### **11.3 Plant Location**

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

**11.4 Registrar and Share Transfer Agents**

MCS Ltd.  
77/ 2A, Hazra Road, Kolkata - 700 029  
Phone : (033) 2454-1892/93  
Fax : (033) 2454-1961, e-mail : mcscal@cal2.vsnl.net.in

**11.5 Annual General Meeting**

Date : 27.08.2009, Thursday  
Time : 11:00 A.M.  
Venue : Bharatiya Bhasha Parishad, 36A, Shakespeare-Sarani, Kolkata - 700 017

**11.6 Book Closure** : 12.08.2009 to 27.08.2009 (both days inclusive)

**11.7 Listing of Shares & Other Securities :\***

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

\* The equity shares of the Company have been voluntarily de-listed from the Calcutta Stock Exchange Association Limited vide their letter reference CSEA/ID/491/2008 dated 28th June, 2008.

**Listing Fees :**

The Company has paid listing fees for the financial year 2009-2010 to the Bombay Stock Exchange Limited, where securities of the Company is listed.

**11.8 Share Transfer System**

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

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

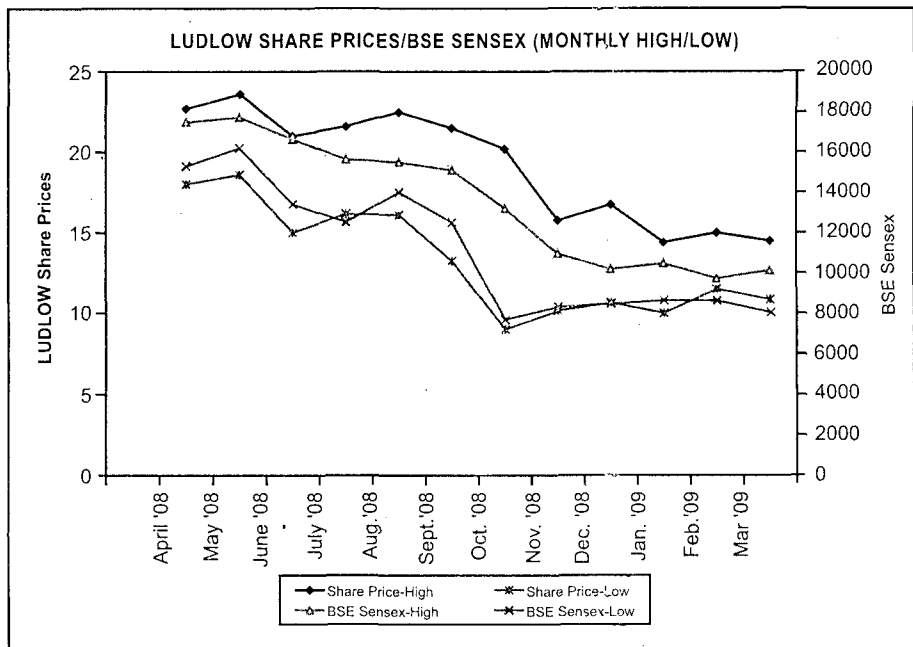
### 11.9 Market Price Data

The details of monthly high/low market price of the shares at Mumbai and Calcutta Stock Exchanges during each month is given hereunder :-

Month	Quotation of Calcutta Stock Exchange*		Quotation of Bombay Stock Exchange (in Rs.)	
	HIGH	LOW	HIGH	LOW
APR - 2008	NO TRANSACTION	NO TRANSACTION	22.70	18.00
MAY - 2008	NO TRANSACTION	NO TRANSACTION	23.60	18.60
JUNE - 2008	NO TRANSACTION	NO TRANSACTION	21.00	15.00
JULY - 2008	DELISTED	DELISTED	21.60	16.15
AUG. - 2008	DELISTED	DELISTED	22.50	16.10
SEP. - 2008	DELISTED	DELISTED	21.50	13.25
OCT. - 2008	DELISTED	DELISTED	20.20	9.00
NOV. - 2008	DELISTED	DELISTED	15.75	10.15
DEC. - 2008	DELISTED	DELISTED	16.74	10.64
JAN. - 2009	DELISTED	DELISTED	14.40	10.00
FEB. - 2009	DELISTED	DELISTED	15.00	11.50
MAR. - 2009	DELISTED	DELISTED	14.50	10.85

\* There was no trading of the equity shares of the Company during April to June, 2008 in Calcutta Stock Exchange Association Limited, hence no quotes are given.

### 11.10 Stock Performance in comparison to broad based indices



### 11.11 Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2009 is given below :

No. of Shares (Range defined)	No. of Equity Shares held	No. of Shareholders	Percentage of Shareholding
1 - 500	1448665	9417	13.45
501 - 1000	318863	376	2.96
1001 - 2000	206994	131	1.92
2001 - 3000	117823	46	1.09
3001 - 4000	72575	20	0.67
4001 - 5000	115195	24	1.07
5001 - 10000	239246	34	2.22
10001 - 50000	657449	28	6.10
50001 - 100000	55613	1	0.52
And above	7540697	7	70.00
	<b>10773120</b>	<b>10084</b>	<b>100.00</b>

### 11.12 Shareholding Pattern as on 31st March, 2009

Category	No. of Shares	% of Shareholding
<b>A. Promoters Holding</b>		
a) Indian Promoters	5897701	54.74
b) Foreign Promoters	—	—
<b>Sub Total "A"</b>	<b>5897701</b>	<b>54.74</b>
<b>B. Non-Promoters Holding</b>		
a) Banks, Financial Institutions/ Insurance Companies	600	.0056
b) Private Corporate Bodies	1576892	14.64
c) Resident Individuals	3267254	30.33
d) NRI/ OCB	29673	0.27
e) Trust & Foundations	1000	0.0093
<b>Sub Total "B"</b>	<b>4875419</b>	<b>45.26</b>
<b>Grand Total : "A+B"</b>	<b>10773120</b>	<b>100.00</b>

### 11.13 Dematerialisation of Shares

52.54% i.e. 5659729 Equity Shares of total Equity Capital is held in dematerialised form with NSDL and CDSL as on 31.03.2009.

### 11.14 Financial Calendar 2009-2010

First Quarter Results	: Before end of July 2009
Second Quarter Results	: Before end of October 2009
Third Quarter Results	: Before end of January 2010
Audited Results for the year ended 31.03.2010	: Before end of June 2010
Date of Book Closure	: 12.08.2009 to 27.08.2009 (both days inclusive)
Dividend Payment Date	: Within the statutory period of 30 days

<b>FIVE YEARS PERFORMANCE</b>					
(Rs. in lacs)					
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Sales	4746.16	14229.86	12942.91	15537.89	<b>17091.49</b>
Cash Profit	(132.22)	357.45	346.36	593.02	<b>620.30</b>
Net Profit/(Loss) After tax	(185.62)	121.12	141.86	293.08	<b>228.96</b>
Gross Block	6004.42	6026.85	6163.22	7139.77	<b>7671.78</b>
Net Worth	1609.36	1730.48	1872.34	1956.84	<b>2059.76</b>
Debt	900.75	—	—	524.55	<b>547.69</b>
Cash EPS (Rs.)	(1.22)	3.32	3.22	5.50	<b>5.76</b>
EPS (Rs.)	(1.72)	1.12	1.32	2.72	<b>2.13</b>
Dividend (%)	—	—	—	10	<b>10</b>
Installed Capacity (M. Tons)	42954	42954	42954	57500	<b>57500</b>
Production - (M. Tons)	15717	40161	35436	47906	<b>46788</b>

Note : Net Worth is calculated by excluding Revaluation Reserve and Deferred Tax liability.

## 12. RISK MANAGEMENT

The Company has an integrated approach to managing risks inherent in various aspects of the business.

## 13. CEO/CFO CERTIFICATION

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

## 14. NON-MANDATORY REQUIREMENTS

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

### DECLARATION OF CEO

I confirm that all members of the Board of Directors and senior managerial personnel have affirmed their compliance with the Code of Conduct, for the year 2008-2009.

Place : Kolkata

Date : 27th day of June, 2009

**D. K. Bubna**

*Chief Executive Officer*

**AUDITORS' CERTIFICATE OF COMPLIANCES WITH CORPORATE GOVERNANCE REQUIREMENT  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT TO THE MEMBERS OF  
LUDLOW JUTE & SPECIALITIES LIMITED (FORMERLY AEKTA LIMITED)**

We have reviewed the Company's procedures for compliance with the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges for the year ended 31st March, 2009.

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

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

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

Place : Kolkata  
Dated : 27-06-2009

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner  
Membership No. 051505

## AUDITORS' REPORT

### To the Shareholders

1. We have audited the attached Balance Sheet of **LUDLOW JUTE & SPECIALITIES LIMITED (formerly Aekta Limited)** as at 31st March, 2009, the Profit and Loss Account and the Cash Flow Statement of the said Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the companies (Auditor's Report) (Amended) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of Account.
- iv) In our Opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. .
- v) On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies & other Notes in schedule "N" give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - b) In the case of the Profit and Loss Account of the Profit of the Company for the year ended on that date; and
  - c) In the case of the Cash Flow Statement of the Cash flows for the year ended on that date.

1 B, Old Post Office Street  
Kolkata - 700 001  
Dated : 27th day of June, 2009

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner  
Membership No. 051505

**ANNEXURE TO THE AUDITORS' REPORT**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The fixed assets have been physically verified by the management as per a based programme of verification of its Fixed Assets adopted by the company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. As per the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) No substantial part of Fixed Assets has been disposed off during the year.
2. (a) According to the information and explanations given to us, the inventories have been physically verified at reasonable interval during the year by the management.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. However, in an earlier year it has granted interest free advance, repayable on demand to a subsidiary company, the maximum balance outstanding at any time during the year and closing balance of such advance outstanding as on 31.03.2009 were Rs. 250 lacs and Rs. 200 lacs respectively. Accordingly, clauses 4(III)(b) to (d) of the Order are not applicable.
  - (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(III)(f) to (g) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods;
5. (a) In our opinion, and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 have been duly entered.
  - (b) As per the records of the Company and information and explanations given to us the transactions of purchase and sale of goods, materials and services made in pursuance of contracts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 500,000/- or more in respect of each party have been made at prices which were reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposit during the year from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Accordingly clause 6(B) of the order is not applicable.
7. In our opinion, the Company has internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the Books of Account maintained by the Company in respect of its product as prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Companies Act,



- 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not carried out a detailed examination of such accounts and records.
9. (a) The Company has generally been regular in depositing undisputed statutory dues, in respect of Income Tax, Sales Tax, Service Tax, Cess, other statutory dues, Provident Fund and Employees State Insurance.
- However in absence of required details we are unable to comment whether it is regular in depositing employees state insurance in respect of its contractual employees.*
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty and Cess outstanding on account of any dispute, other than those stated in Annexure "A" attached herewith.
10. The Company does not have any accumulated loss as at 31st March 2009. The Company has not incurred any cash loss during the financial year ended on that date and in immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
12. According to the information and explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund/nidhi/mutual benefit fund/society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities etc. However it has maintained proper records of the transactions and contracts of the investments dealt in by it and timely entries have been made by it. The investments made by the company are held in its own name except to the extent of the exemption under section 49 of the companies Act.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the Company has not raised any term loan during the year.
17. According to the information and explanations given to us, funds raised on short term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year and hence the question of whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.
19. The Company has not issued any debentures during the year.
20. The Company has not raised monies by public issues during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For SINGHI & CO.  
Chartered Accountants

1 B, Old Post Office Street  
Kolkata - 700 001

M. L. SHUKLA  
Partner

Dated : 27th day of June, 2009

Membership No. 051505

Annexure 'A'

Statements of Statutory dues outstanding on account of disputes, as on March 31, 2009, referred to in para 9(b) of the Auditor's Report

No.	Nature of Dues	Gross Amount (Rs. in lakhs)	Paid under protest	Period to which the amount relates	Forum where dispute is pending
1.	a) Excise Duty	0.43	—	1964 to 1969	Pending at Calcutta High Court
	b) Excise Duty	17.85	3.00	1986-87 to 1991-92	CESTAT
2.	a) Sales Tax	62.59	11.70	1998 to 2002	D.C.C.T.(CD)
	b) Sales Tax	14.66	1.00	1991-92 & 1995-96	WBCT(A & R) Board
	c) Sales Tax	130.60	—	2004-05 & 2005-2006	D.C.C.T. (CD)
3.	Land Revenue	59.66	—	2001 to 2009	Pending before W.B. Land Reform Tribunal
4.	a) E.S.I.	37.18	6.40	1985 to 1995	Pending before E.S.I. Court
	b) E.S.I.	19.73	12.53	1997-98 to 2000-01	Pending before High Court at Calcutta

## Balance Sheet as at 31st March, 2009

(Rs. in '000)

	Schedule	As at 31st March, 2009	As at 31st March, 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	'A'	10,79,77	10,79,77
Reserves & Surplus	'B'	14,60,64	14,39,90
<b>Loan Funds</b>			
Secured Loans	'C'	5,47,69	5,24,55
<b>Total Funds Employed</b>		<b>30,88,10</b>	<b>30,44,22</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	'D'	75,29,08	70,06,21
Less : Depreciation		47,28,42	44,43,79
Net Block		28,00,66	25,62,42
Capital Work-in-Progress		1,42,70	1,33,56
		<b>29,43,36</b>	<b>26,95,98</b>
<b>Investments</b>	'E'	2,55,17	2,60,29
<b>Deferred Tax Assets (Net)</b>		1,15,87	85,39
<b>Current Assets, Loans &amp; Advances</b>			
Inventories		37,64,69	32,92,21
Sundry Debtors		9,41,79	8,34,90
Cash & Bank Balances		1,78,28	79,07
Loans, Advances & Deposits		7,75,74	6,58,96
		<b>56,60,50</b>	<b>48,65,14</b>
<b>Less : Current Liabilities &amp; Provisions</b>	'G'		
Current Liabilities		38,96,73	31,44,85
Provisions		19,90,07	17,17,73
		<b>58,86,80</b>	<b>48,62,58</b>
<b>Net Current Assets</b>		<b>(2,26,30)</b>	<b>2,56</b>
<b>Total Assets</b>		<b>30,88,10</b>	<b>30,44,22</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
	'N'		

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

As per our Report of even date annexed.

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner

Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 27th day of June, 2009

For and on behalf of the Board

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

## Profit &amp; Loss Account for the year ended 31st March, 2009

(Rs. in '000)

	Schedule	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>INCOME</b>			
Sales	'H'	1,70,91,49	1,55,37,89
Other Income	'I'	85,52	3,14,41
		<u>1,71,77,01</u>	<u>1,58,52,30</u>
<b>EXPENDITURE</b>			
(Increase)/Decrease in Finished Goods and Process Stocks	'J'	(4,62,08)	(5,36,02)
Raw Materials Consumed	'K'	81,90,07	71,19,31
Purchase of Finished Goods		5,08	4,01
Manufacturing, Selling, Administrative and Other Expenses	'L'	86,88,26	85,55,84
Interest	'M'	1,35,38	1,16,14
		<u>1,65,56,71</u>	<u>1,52,59,28</u>
Profit/(Loss) Before Depreciation & Tax		6,20,30	5,93,02
Less : Depreciation		2,86,85	2,43,60
Less : Transferred from Revaluation Reserve		82,18	82,18
		<u>2,04,67</u>	<u>1,61,42</u>
Profit/(Loss) Before Tax		4,15,63	4,31,60
Less : Provision for Income Tax		1,59,87	2,34,63
Deferred Tax		(30,48)	(1,04,34)
Fringe Benefit Tax		8,20	8,23
		<u>2,78,04</u>	<u>2,93,08</u>
Less : Income Tax Relating to Earlier Year		49,08	—
Profit After Tax		2,28,96	2,93,08
Balance brought forward from last A/c		2,80,58	1,96,08
Less : Adj. For employees benefit net of Deferred Tax		—	82,54
		<u>2,80,58</u>	<u>1,13,54</u>
Balance available for appropriation		5,09,54	4,06,62
Proposed Dividend		1,07,73	1,07,73
Corporate Dividend Tax		18,31	18,31
Balance-carried to Balance Sheet		<u>3,83,50</u>	<u>2,80,58</u>
Basic & Diluted Earning Per Share (Rs.)		2.13	2.72
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
	'N'		

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

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner

For and on behalf of the Board

Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 27th day of June, 2009

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

## Cash Flow Statement for the year ended 31st March, 2009

(Rs. in '000)

	2008-2009	2007-2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT/(LOSS) BEFORE TAX &amp; EXTRAORDINARY ITEMS</b>	4,15,63	4,31,60
Adjustments for :		
Depreciation	2,02,64	1,61,42
Income from Interest	(4,52)	(2,25)
Income from Dividend	(15,27)	(32,84)
Interest Expenses	1,35,37	1,16,14
(Profit)/Loss from sale of Fixed Assets	(12,33)	(5,97)
Provision For Gratuity	1,07,13	3,70,49
Provision For Leave	20,75	18,31
Provision For Doubtful debts	2,89	—
Liabilities written back	(5,63)	—
Provision for diminution in the value of investment	9	(3)
	<u>8,46,75</u>	<u>10,56,87</u>
<b>Adjustment for change in Working Capital</b>		
Trade & other receivables (increase)	(82,41)	(3,13,74)
Inventories	(4,72,48)	(18,37,62)
Trade Payables and Liabilities	7,51,88	15,68,34
<b>CASH GENERATED FROM OPERATIONS</b>	<u>10,43,74</u>	<u>4,73,85</u>
Income tax Net of paid/ provisions (including FBT)	2,16,37	3,05,54
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>8,27,37</u>	<u>1,68,31</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5,32,22)	(9,99,50)
Sale/Adjustment of Fixed Assets	12,34	26,88
Sale/(Purchase) of Investment	5,03	2,00,00
Interest Received	4,52	2,25
Dividend Received	15,27	32,84
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(4,95,06)</u>	<u>(7,37,53)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	23,14	5,24,55
Dividend Paid	(1,03,10)	—
Dividend Tax Paid	(18,31)	—
Interest Paid	(1,34,83)	(1,16,14)
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>	<u>(2,33,10)</u>	<u>4,08,41</u>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	99,21	(1,60,81)
<b>OPENING CASH &amp; CASH EQUIVALENTS</b>	79,07	2,39,88
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<u>1,78,28</u>	<u>79,07</u>
<b>CASH &amp; CASH EQUIVALENTS COMPRISES</b>		
Cash and Bank Balances	1,78,28	79,07

### Notes :

- Above statement has been prepared in indirect method except in case of interest, dividend, purchase of investments and taxes which have been considered on the basis of the actual movement of cash, with corresponding adjustments in assets & liabilities.
- Additions to Fixed Assets are stated at inclusive of movements of Capital work-in-progress between beginning and end of the year and treated as part of investing activities.
- Cash and Cash Equivalents represent "Cash Balance in hand and Balances with Scheduled Banks" and includes Rs. 4,63 (Previous year Rs. Nil) in Unpaid Dividend Account and Rs. 36,95 (Previous year Rs. 43,20) in Fixed Deposit kept with Scheduled Banks as margin money against Bank Guarantee and letter of Credit.
- Figures have been regrouped where ever necessary.

As per our Report of even date annexed.

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner

Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 27th day of June, 2009

For and on behalf of the Board

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

**Schedules to the Balance Sheet**

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED		
1,49,90,000 Equity Shares of Rs.10/- each	14,99,00	14,99,00
1,000 Redeemable Preference Shares of Rs.100/- each	1,00	1,00
	<u>15,00,00</u>	<u>15,00,00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,07,73,120 Equity Shares of Rs.10/- each paid up (Out of above 6,00,000 Equity Shares issued for consideration other than cash in pursuance of Scheme of Arrangement sanctioned by High Court)	10,77,31	10,77,31
Add : Forfeited Share	2,46	2,46
	<u>10,79,77</u>	<u>10,79,77</u>

**SCHEDULE 'B'**

**RESERVES & SURPLUS**

Capital Reserve (As per Last Balance Sheet)	10,54	10,54
Revaluation Reserve	5,62,83	6,45,01
Less : Transferred to Profit & Loss Account	82,18	82,18
	<u>4,80,65</u>	<u>5,62,83</u>
Share Premium (As per Last Balance Sheet)	5,85,95	5,85,95
Profit/(Loss) as per Account Annexed	3,83,50	2,80,58
	<u>14,60,64</u>	<u>14,39,90</u>

**SCHEDULE 'C'**

**I) SECURED LOANS**

Working Capital Borrowing		
From Banks	5,47,14	5,24,55
Interest Accrued and Due	55	—
	<u>5,47,69</u>	<u>5,24,55</u>

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

## Schedules to the Balance Sheet

### SCHEDULE 'D'

#### FIXED ASSETS

(Rs. in '000)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Total Value As at 1.4.2008	Addition and/or Adjustment	Sales and/or Adjustment	Total Value As at 31.3.2009	Total as on 1.4.2008	Provided during the year	Sales/ Adj. during the year	Depreciation for Addition on Revaluation	Total upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
Goodwill	(1)	—	—	(1)	—	—	—	—	—	(1)	(1)
Freehold Land	1,39,09	—	—	1,39,09	—	—	—	—	—	1,39,09	1,39,09
Buildings	14,47,29	51,48	—	14,98,77	9,44,55	6,93	—	47,66	9,99,14	4,99,63	5,02,74
Plant & Machinery	47,29,37	4,81,61	40,61	51,70,37	31,37,49	1,66,27	2,03	28,71	33,30,44	18,39,93	15,91,88
Workshop Machinery & Installations	21,96	—	—	21,96	21,95	—	—	—	21,95	1	1
Electrical Machinery & Installation	1,33,45	1,97	—	1,35,42	67,44	6,85	—	1,10	75,39	60,03	66,01
Water Supply Installation	1,22,80	12,50	—	1,35,30	53,81	1,98	—	2,80	58,59	76,71	68,99
Roads, Drainage & Fencing	55,46	—	—	55,46	18,22	74	—	23	19,19	36,27	37,24
Motor Vehicles & Fork Lifts	2,33,29	9,08	—	2,42,37	1,27,21	13,28	—	1,68	1,42,17	1,00,20	1,06,08
Motor Launch	20	—	20	—	19	—	19	—	—	—	1
Furniture & Fixtures, Office Equipments, Air-Conditioners, Telephone Installations & Laboratory Equipments	1,23,30	7,04	—	1,30,34	72,93	8,62	—	—	81,55	48,79	50,37
<b>Total</b>	<b>70,06,21</b>	<b>5,63,68</b>	<b>40,81</b>	<b>75,29,08</b>	<b>44,43,79</b>	<b>2,04,67</b>	<b>2,22</b>	<b>82,18</b>	<b>47,28,42</b>	<b>28,00,66</b>	<b>25,62,42</b>
<b>Previous Year</b>	<b>61,63,22</b>	<b>9,23,81</b>	<b>80,82</b>	<b>70,06,21</b>	<b>42,02,24</b>	<b>1,61,42</b>	<b>2,05</b>	<b>82,18</b>	<b>44,43,79</b>	<b>25,62,42</b>	

**NOTE :** Fixed Assets of the Company excluding minor items, were revalued by an external Independent Valuer on 31st March, 1992 which resulted in increase of Fixed Assets Value by Rs.30,04,76 on Net Current Replacement Basis. This increase had been transferred to Revaluation Reserve Account. After adjustment in respect of Fixed Assets sold/discarded and Depreciation provided the Revaluation Reserve now stands at Rs. 4,80,65 as on 31.03.2009.

## Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2009		As at 31st March, 2008		
<b>SCHEDULE 'E'</b>					
<b>INVESTMENTS</b>					
(Long Term Other than Trade)					
No. of Shares/ Debentures	Face Value per Share/Debenture (Rs.)		No. of Shares/ Debentures		
<b>GOVERNMENT SECURITIES</b>					
Unquoted -					
7 years National Saving Certificates (Deposited with Central Excise and Sales Tax Authorities),(Matured)					
		5		5	
<b>Total Government Securities:</b>		<u>5</u>		<u>5</u>	
<b>FULLY PAID UP EQUITY SHARES :</b>					
Quoted -					
50	Alliance Udyog Ltd.	10	(5,12)	50	(5,12)
24	Anglo India Jute Mills Co. Ltd. *	100	(4,62)	24	(4,62)
660	Birla Corporation Ltd.	10	1,48	660	148
305	Budge-Budge Co. Ltd.*	10	1	305	1
274	Cheviot Company Ltd.	10	7	274	7
1035	Delta International Ltd. *	10	20	1035	20
4	Hindustan Development Corpn. Ltd.	10	(2,92)	4	(2,92)
50	Howrah Mills Company Limited *	10	(4,75)	50	(4,75)
50	The Jagatdal Ind. Ltd.	10	(3,58)	50	(3,58)
19	Kanknarrah Co. Ltd. *	100	1	19	1
1000203	Kanoria Chemicals & Ind. Ltd.	5	2,28,32	1000203	2,28,32
10	Kelvin Jute Co. Ltd.	100	(2,40)	10	(2,40)
70	Nellimarla Jute Mills Co. Ltd.	10	(3,68)	70	(3,68)
12	New Central Jute Mills Co. Ltd. *	100	(88)	12	(88)
100	Presidency Exports & Industries Ltd.	5	(1,05)	100	(1,05)
5430	Bajaj Hindusthan Sugar and Industries Limited	10	2	5430	2
224	Reliance Ispat Industries Ltd.	10	6	224	6
200	Solarson Ind. Ltd.	10	2	200	2
50	The Agarpara Co. Ltd. *	10	(1,75)	50	(1,75)
990	The Auckland International Ltd.	10	(7,50)	990	(7,50)
660	Abhishek Jute & Industries Limited	10	(5,00)	660	(5,00)
5	The Baranagar Jute Factory Co.Ltd.*	5	(1,16)	5	(1,16)
100	Al Champdany Industries.Ltd.	10	(3,44)	100	(3,44)
50	Fort William Industries Ltd.	10	2	50	2
50	The Ganges Manufacturing Co.Ltd. *	10	(3,75)	50	(3,75)
90	Gillanders Arbuthnot & Co Ltd.	10	13	90	13
40	The Gouripore Co. Ltd.	10	(1,50)	40	(1,50)
1176	The Hooghly Mills Co.Ltd.	10	(7,42)	1176	(7,42)
62	The India Jute & Industries Ltd. *	10	2	62	2
25	The Nuddea Mills Co. Ltd.*	10	(50)	25	(50)
7	Waverly Investments Ltd.	1	(30)	7	(30)
1200	Willard India Ltd.	10	44	1200	44
112	Reliance Jute Mills (Int) Ltd. **			112	
<b>FULLY PAID-UP DEBENTURES (Quoted)</b>					
1	Hindustan Development Corpn. Ltd. (P.C.D.)	50	(50)	1	(50)
<b>Total of Quoted Investments</b>			<u>2,30,86</u>		<u>2,30,86</u>
<b>Balance Carried over</b>			<u>2,30,91</u>		<u>2,30,91</u>



## Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2009		As at 31st March, 2008	
	No. of Shares/ Debentures	Face Value per Share/Debenture (Rs.)	No. of Shares/ Debentures	
<b>Balance Brought forward</b>		<b>2,30,91</b>		<b>2,30,91</b>
<b>FULLY PAID-UP EQUITY SHARES :</b>				
Unquoted -				
10 Birds Jute & Exports Ltd.	100	1	10	1
50 National Co.Ltd. *	10	(6,69)	50	(6,69)
200 Santosh Garden Co operative.	10	2	200	2
5 The Alexandra Jute Mills Ltd. *	100	(2,59)	5	(2,59)
50 The Empire Jute Co. Ltd.	10	(1,34)	50	(1,34)
50 Caledonian jute & Industries	10	(5,05)	50	(5,05)
62 The Khardah Co. Ltd. *	10	(4,76)	62	(4,76)
12 The Kinnison Jute Mills Co.Ltd. *	100	2	12	2
10 The Lawrence Investment & Property Co. Ltd.	100	(9,80)	10	(9,80)
50 The North Brooke Co. Ltd.	10	(8,94)	50	(8,94)
10 Union Jute Co. Ltd. *	100	(7,18)	10	(7,18)
56 RJM Fibres Industries Ltd.	10	(5,74)	56	(5,74)
56 RJM Investment ltd.	10	(5,46)	56	(5,46)
Sijberia Industries Ltd.			50325	5,03
<b>IN SUBSIDIARY COMPANIES (UN-QUOTED)</b>				
50 Vidun Dealers Ltd.	10	(5,05)	50	(5,05)
250000 Ludlow Exports Ltd.	10	25,00	250000	25,00
<b>Total of Unquoted Investments</b>		<b>25,12</b>		<b>30,15</b>
<b>Grand Total</b>		<b>2,56,03</b>		<b>2,61,06</b>
<b>Less : Prov. for diminution in market value of Investment</b>		<b>86</b>		<b>77</b>
		<b>2,55,17</b>		<b>2,60,29</b>
		<b>As at 31st March, 2009</b>		<b>As at 31st March, 2008</b>
		<b>Book Market</b>		<b>Book Market</b>
		<b>Value (Rs.) Value (Rs.)</b>		<b>Value (Rs.) Value (Rs.)</b>
<b>Aggregate Amount of :</b>				
Quoted Investments		2,30,00 2,31,04	2,30,09	2,94,86
Unquoted Investments		25,17	30,20	
		<b>2,55,17 2,31,04</b>	<b>2,60,29</b>	<b>2,94,86</b>

\* B.I.F.R. Companies

\*\* Shares in Reliance Int. Mills has been acquired as per Scheme of arrangement of Reliance Jute Ltd. With Reliance International Ltd.

## Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE 'F'</b>		
<b>CURRENT ASSETS, LOANS, ADVANCES &amp; DEPOSITS</b>		
<b>(A) CURRENT ASSETS</b>		
Closing Stock (as taken, valued and certified by the Management)		
Stores, Spare Parts & Packing	1,84,88	1,30,40
Materials (at cost)		
<b>Raw Materials</b>		
Raw Jute	22,74,05	23,22,89
(at lower of cost or net realisable value)		
Finished Goods	11,40,93	7,34,73
(at lower of cost or net realisable value)		
Stock-in-Process	1,64,83	1,04,19
(at lower of cost or net realisable value)		
	<u>37,64,69</u>	<u>32,92,21</u>
<b>SUNDRY DEBTORS</b>		
<b>Debts exceeding six months</b>		
Unsecured Considered good	1,23,40	77,31
Less : Provision for Doubtful Debts	89	0
<b>Other Debts</b>	1,22,51	77,31
Unsecured Considered good	8,19,28	7,57,59
	<u>9,41,79</u>	<u>8,34,90</u>
<b>CASH AND BANK BALANCES</b>		
Cash in hand(incl. stamps)(as certified by the management)	7,20	8,92
Balances with Scheduled Banks		
in Current Accounts	1,25,68	23,96
in Margin Account	2,45	1,20
in Fixed Deposit Account	34,50	42,00
in EEFC Account	3,82	2,99
in Unpaid Dividend A/c. (2008)	4,63	0
	<u>1,78,28</u>	<u>79,07</u>

## Schedules to the Balance Sheet

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE 'F' (Contd.)</b>		
<b>(B) LOANS, ADVANCES &amp; DEPOSITS</b>		
Advances (recoverable in cash or in kind or for value to be received and/or pending adjustment)(Unsecured, considered good/ unless otherwise stated)		
For purchase of goods	26,89	47,25
Advance against Income Tax & TDS	5,72,65	4,35,60
Advance against Fringe Benefit Tax	22,14	17,93
Prepaid expenses	28,55	24,10
To Others	9,77	9,77
To Subsidiary	2,00	2,50
To Workmen Festival Advance	2,24	3,03
To Staff	2,47	1,67
Balance with Government Authorities	43,86	43,77
Claims receivable etc.	3,27	—
DEPB Licence Receivable	43,18	28,46
Deposits (Unsecured, considered good unless otherwise stated)	6,06	4,77
Duty Draw Back Receivable	14,66	40,11
	<u>7,77,74</u>	<u>6,58,96</u>
Less : Provision for Doubtful Advance	2,00	—
	<u>7,75,74</u>	<u>6,58,96</u>
<b>SCHEDULE 'G'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
<b>Sundry Creditors</b>		
For Goods	21,03,08	15,68,95
For Expenses (Includes Rs. Nil for Micro, Small and Medium Enterprises, Previous Yr. Rs Nil )	16,00,89	14,14,84
Due to Subsidiary	24,47	24,71
Security & Trade Deposits	12,80	10,37
Unpaid Dividend*	4,63	—
Other Liabilities	1,50,86	1,25,98
	<u>38,96,73</u>	<u>31,44,85</u>
<b>PROVISIONS</b>		
For Disputed Statutory Dues		
i) Employee State Insurance	2,59	2,59
ii) Land Revenue Tax	49	49
For Gratuity	12,35,97	11,26,46
For Leave Pay	79,55	58,80
For Income Tax	5,21,48	3,80,52
For Fringe Benefit Tax	23,95	22,83
For Proposed Dividend - 2009	1,07,73	1,07,73
For Proposed Dividend Tax - 2009	18,31	18,31
	<u>19,90,07</u>	<u>17,17,73</u>

\* No amount are due and outstanding to be credited to Investor, Education and Protection fund.

**Schedules to the Profit & Loss Account**

(Rs. in '000)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>SCHEDULE 'H'</b>		
<b>SALES</b>		
Finished Products (Including Export Sale Rs.60,15,23,Pr.Yr.68,46,25)	1,70,95,76	1,55,20,91
Less : Jute Manufacturing Cess	1,59,12	1,47,30
Refer note B(8) in Schedule "N"	1,69,36,64	1,53,73,61
<b>Add : Sales related income</b>		
Export Benefits	1,54,85	1,64,28
Sub - Total :	1,54,85	1,64,28
Grand Total :	1,70,91,49	1,55,37,89
<b>SCHEDULE 'I'</b>		
<b>OTHER INCOME</b>		
Rent	11,78	12,48
Exchange Fluctuation Gain	—	2,23,47
Miscellaneous Income	28,12	26,15
Insurance & Other Claims	3,27	10,13
Excess Liabilities & Credit balance w/back( Net )	2,57	1,10
Excess Depreciation Written Back	2,03	—
Adjustment Relating to Earlier Year	5,63	—
Dividend received (on Long-term Investments)	15,27	32,84
Interest Received	4,52	2,24
Profit on Sale of Fixed Assets	12,33	5,97
Provision for Diminution in Investment W/Back	—	3
	85,52	3,14,41
<b>SCHEDULE 'J'</b>		
<b>(INCREASE)/DECREASE IN STOCK</b>		
<b>OPENING STOCK</b>		
Finished Goods (inclcd. Semi-finished goods Rs. 84,66 )	7,34,73	1,83,79
Stock-in-Process	1,04,19	1,13,50
	8,38,92	2,97,29
<b>Deduct : CLOSING STOCK</b>		
Finished Goods (including semi-finished goods Rs. 97,67)	11,40,93	7,34,73
Stock-in-Process	1,64,83	1,04,19
	13,05,76	8,38,92
	4,66,84	5,41,63
<b>Less :</b> Differences of charges on a/c of Cess on Opening & Closing Stock	4,76	5,61
<b>Net Differences</b>	(4,62,08)	(5,36,02)

## Schedules to the Profit & Loss Account

(Rs. in '000)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>SCHEDULE 'K'</b>		
<b>RAW MATERIALS CONSUMED</b>		
Opening Stock	23,22,89	10,47,52
Add : Purchases	81,41,23	83,94,68
	<u>1,04,64,12</u>	<u>94,42,20</u>
Less : Closing Stock	22,74,05	23,22,89
	<u>81,90,07</u>	<u>71,19,31</u>
<b>SCHEDULE 'L'</b>		
<b>MANUFACTURING, SELLING, ADMINISTRATIVE AND OTHER EXPENSES</b>		
Consumption of Stores & Spares (Including packing material)	11,24,63	10,17,52
Power & Fuel	9,77,61	9,38,17
Manufacturing & Processing Expenses	3,01,88	2,53,18
Salaries, Wages & Bonus	33,87,37	32,78,43
Gratuity	1,78,88	4,66,16
Contribution to P.F. & Other Funds	3,96,14	4,53,88
Staff & Workers Welfare Expenses	71,22	46,95
Rates & Taxes	14,06	6,13
Rent	27,40	28,84
Insurance	34,17	44,59
Repairs & Maintenance :		
Plant & Machinery	1,08,11	1,45,01
Buildings	88,48	1,29,10
Others	61,57	58,93
Commission & Brokerage on sales	57,43	49,39
Freight, Transport & Selling Expenses	13,18,31	14,36,70
Travelling Expenses (Including Directors' Travelling Rs. 15,90, Previous year - Rs. 28,55)	31,09	40,05
Legal & Professional Expenses	26,11	25,12
Provision for Doubtful Debts	2,89	—
Provision for Diminution in Investment	9	—
Miscellaneous Expenses	1,42,11	1,27,06
Adjustment Relating to earlier year	—	4,58
Exchange Fluctuation Loss	3,33,59	—
Directors' Fee	1,73	2,67
Auditors' Remuneration :		
Statutory Auditors :		
Audit Fee	2,21	2,25
Fees for certification	98	93
Cost Auditors :		
Audit Fees	20	20
	<u>86,88,26</u>	<u>85,55,84</u>
<b>SCHEDULE 'M'</b>		
<b>INTEREST</b>		
To Banks & Others	1,35,38	1,16,14
	<u>1,35,38</u>	<u>1,16,14</u>

**Schedules to the Accounts****SCHEDULE 'N'****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of Accounting**

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

**2. Fixed Assets & Capital work in Progress**

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

Capital Work-in-Progress is stated at cost.

**3. Intangible Assets**

Intangible assets are stated at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

**4. Depreciation and Amortisation**

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

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

**5. Impairment**

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

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

**6. Investments**

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

**7. Inventories****Basis of Valuation :**

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

## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

#### 8. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions. Premium on forward contract are being accounted for during the life of the contract.

Foreign Currency Assets/Liabilities, not covered by forward contracts, are reinstated at the rate prevailing at the year-end.

#### 9. Recognition of Income and Expenditure

Items of Income and Expenditure are recognised on accrual basis.

#### 10. Sales

Sales are inclusive of transport & delivery charges realised less excise duty, cess, rebates & claims, sales returns & discounts including for earlier years.

#### 11. Borrowing Cost

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

#### 12. Employee Benefit

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

#### 13. Taxes on Income

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

#### 14. Government Grant

Grant from Government are recognised on compliance of conditions and on reasonable assurance of the same being received. Capital incentives received during the year are deducted from Fixed Assets. Revenue Grants related to export incentives are shown under the head Sales as Sales related income & other grants are deducted from the other expenses.

## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

(Rs. in '000)

#### 15. Provision, Contingent Liability and Contingent Assets

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

	As at 31st March, 2009	As at 31st March, 2008
<b>B. NOTES ON ACCOUNTS :</b>		
1. Contingent Liabilities not provided for in respect of :		
a) Bills Discounted with Banks	4,83,62	6,05,75
b) Other Disputed Claims (ESI) (Adv. paid Rs. 18,93, Previous year - Rs. 17,13)	56,91	56,91
c) Excise Duty Demand disputed		
(i) Excise Authority raised the demand on transit loss of JBO from 1964 to 1969. Writ Petition pending before High Court at Kolkata.	43	43
(ii) Excise Authority raised the demand on Jute Webbing as differential duty between specific rate as per classification list and advalorm rate. Matter is pending before Appeallate Authority. (Advance paid Rs. 300 Previous year - Rs. 300)	17,80	17,80
(iii) Penalty imposed by Excise Official on Jute Twine lifted during 2006-07, pending before Central Excise Appeal.	5	5
d) i) Disputed demand against Sales Tax for which the Company has preferred appeal (Adv. paid Rs. 12,70, Previous year - Rs.12,70)	77,25	77,25
ii) Disputed demand against Sales Tax for the 4 Q.E. 31.03.2005 & 2006 for which Appeal is pending before D.C.C.T. (CD).	1,30,60	22,36
e) Disputed demand against Income Tax for which Appeals are pending with ITAT (A.Y. 2002-03 & 2003-04)	Nil	37,09
f) Land Revenue (Rent) raised by the office of the B.L & L.R. Officer Uluberia - II, Howrah due to retrospective changes in W.B. Land Reform Act. Matter is pending before W.B. Land Reform Tribunal.	59,66	54,28
2. a) Outstanding Bank Guarantees	2,50,65	2,55,22
b) Outstanding Letter of Credit	11,68,60	5,12,82
3. Estimated amount of contracts remaining to be executed on Capital Account not provided for (Advance given Rs. NIL Previous year - Rs. 16,69)	Nil	54,46



## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
4. Loans, Advances & Deposits include receivable from a Subsidiary Company Name of the Company : Vidun Dealers Ltd. Maximum Amount outstanding during the year Rs. 2,50	2,00	2,50
5. Remuneration to Executive Chairman & Executive Director cum Company Secretary for the year is debited to respective heads of account.		
- Salary	40,80	26,00
- Contribution to Provident Fund	4,08	2,60
- Perquisites	13,95	10,41
(The above does not include Provision for Gratuity & Leave Encashment)		

6. Disclosure as per Accounting Standard - 29

Particulars	Opening Balance	Addition	Deduction	Closing Balance
Disputed Statutory Matter	3,08	—	—	3,08

Represents the provision for disputed Statutory liabilities on account of cases pending with courts /or concerned authorities based on estimate made by the company considering the facts & circumstances.

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

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

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
i) Employees Provident Fund	4,48	14,60
ii) Employees Pension Scheme	1,92,66	2,22,33

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

i) Benefits are of the following types :

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

ii) The amounts recognized in the Balance Sheet as at 31st March, 2009 are as follows :

	Gratuity (2008-09)	Gratuity (2007-08)
Present Value of unfunded obligations	12,35,97	11,26,46
Unrecognized past service cost	—	—
Liabilities in respect of unfunded obligations Based on actuarial basis	12,35,97	11,26,46

**Schedules to the Accounts**

**SCHEDULE 'N' (Contd.)**

(Rs. in '000)

	<b>Gratuity (2008-09)</b>	<b>Gratuity (2007-08)</b>
The amounts recognized in the Profit and Loss account for the year ended 31st March, 2009 are as follow :		
Current service cost	<b>1,13,92</b>	1,07,16
Interest cost on obligation	<b>88,59</b>	86,93
Expected Return on plan assets	—	—
Expected Return on any reimbursement right Recognized as an asset	—	—
Net actuarial losses/(gains) recognized during the year	<b>(23,63)</b>	(1,63,69)
Past service cost	—	—
Losses/(gains) on curtailments and settlements	—	—
Total included in 'payments to and Provisions for employees'	<b>1,78,88</b>	30,40
iii) Changes in the present value of the defined benefit obligation representing Reconciliation of opening and closing balances thereof are as follows :		
Present value of defined benefit obligation at the beginning of the year		
	<b>1126.46</b>	1191.71
Employer Service Cost (+)	<b>113.92</b>	107.16
Interest Cost (+)	<b>88.59</b>	86.93
Curtailement Cost (+)	<b>0.00</b>	0.00
Settlement Cost (+)	<b>0.00</b>	0.00
Plan Amendments	<b>0.00</b>	0.00
Acquisitions	<b>0.00</b>	0.00
Actuarial Gains (-)/Loss (+)	<b>(-)23.63</b>	(-)163.69
Benefit Paid/ Liabilities Created (-)	<b>69.37</b>	95.65
Present value of Defined Benefit obligations at the end of the year	<b>1235.97</b>	1126.46
iv) Principal actuarial assumptions at the balance sheet date are as follows :		
1	Mortality	: LIC (1994-96), ultimate table
2	Morbidity	: No Explicit Allowance
3	Withdrawal	: 2% to 1%, depending on the age and length of service
4	Discount Rate	: 7.5% p.a. being consistent with the yield on Long Term Govt. Bond
5	Salary Increase	: 5% p.a.
6	Normal Age of Retirement	: 58 years
v) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.		
vi) In respect of provident funds in the nature of defined benefits plan, pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs.53,26, (previous year Rs.53,61) during the year is recognized as expense and included in 'Payments to and Provision for Employees'.		
Shortfall, if any in the contribution to the Provident Funds in the nature of defined benefit plans could not be ascertained and provided.		

## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

(Rs. in '000)

8. Sales include Rs. 21,55,01 on account of goods sent on consignment (Previous year Rs.13,99,86) which has been considered on the basis of proforma invoice/actual realisation. However, the Management does not anticipate any loss on this account.
9. Raw materials, Stores & Spares Parts consumed include profit and/or loss on sale and excess/short found on physical verification.
10. The amount of borrowing cost capitalized during the year is Rs. Nil (Previous year Nil).
11. The financial effects of changes in Foreign Exchange rate are as under.
  - i) Net loss of Rs.3,32,71 for the year on account of exchange difference is included in "Miscellaneous Expenditure" shown in Schedule L (Previous year Rs. 2,19,40 gain shown in "Other Income" under Schedule I).
  - ii) Exchange difference adjusted in the carrying amount of EEFC (Dollar deposit) A/c during the year is Rs. 84 (Profit) (Previous year Rs. 5 loss).
  - iii) Exchange loss in respect of forward exchange contract is recognized in the Profit & Loss Account for the accounting year is Rs. 1,72 (Previous year 4,11 loss).
12. The company is entitled for export incentives available under target plus scheme, in relation to additional export made during the year as per Foreign Trade Policy. The incentive under the scheme is non transferable and can be utilized for import of material only. Due to uncertainty about sufficient future import of material within stipulated time for utilising the incentive, the company has not recognised the export incentive during the year. The same will be accounted for on certainty about the utilisation of incentives on import of material.
13. Break up of major component of Deferred Tax at the year end is as follows :

Liability	As at 31st March, 2009	As at 31st March, 2008
Timing difference in depreciable Assets	3,35,21	3,17,90
Total : A	<u>3,35,21</u>	<u>3,17,90</u>
<b>Assets</b>		
Provision for Leave, Doubtful Debts & Gratuity	4,48,12	4,02,86
Other timing difference	2,96	43
Total : B	<u>4,51,08</u>	<u>4,03,29</u>
<b>Deferred Tax (Assets)/Liability Net (A - B)</b>	<u>(1,15,87)</u>	<u>(85,39)</u>

14. 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 from claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to such parties during the year is Rs. NIL.
15. a) Foreign Exchange Forward/Option Contracts taken for future transaction for hedging and outstanding as on 31st March, 2009 are as follows :

Currency	Nature of transactions	Amount in US\$	Exposure
US\$	SELL	NIL (P.Y.8242)	US\$ earning

- b) Unhedged foreign currency for payables as on 31st March, 2009 is US\$ 15. (Previous year US\$ 13).

**Schedules to the Accounts**

**SCHEDULE 'N' (Contd.)**

(Rs. in '000)

16. Balance with Government authorities include Rs.650 being cash seized and lying with Income Tax Department since 2002-03. The matter is pending.
17. As Company's business activities falls within a single primary business segment viz. Jute Goods, the disclosure requirements of Accounting Standard – AS-17 Segment Reporting issued by The Institute of Chartered Accountants of India are not applicable in respect of business segment. However, the geographical segments considered for disclosures on the basis of sales are as under :

	<b>2008-09</b>	<b>2007-08</b>
Within India	<b>1,10,80,53</b>	86,74,66
Outside India	<b>60,15,23</b>	68,46,25
<b>Total</b>	<b>1,70,95,76</b>	<b>1,55,20,91</b>

18. Consumption of Raw Materials, Spares and Components :

	<b>Raw Materials</b>				<b>Spares &amp; Components</b>			
	<b>For the year ended 31st March, 2009</b>		<b>For the year ended 31st March, 2008</b>		<b>For the year ended 31st March, 2009</b>		<b>For the year ended 31st March, 2008</b>	
	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Imported	<b>5,73,61</b>	<b>7.00</b>	17,45,97	24.52	<b>14,30</b>	<b>3.06</b>	18,35	3.74
Indigenous	<b>76,16,46</b>	<b>93.00</b>	53,73,34	75.48	<b>4,52,52</b>	<b>96.94</b>	4,72,47	96.26
	<b>81,90,07</b>	<b>100.00</b>	71,19,31	100.00	<b>4,66,82</b>	<b>100.00</b>	4,90,82	100.00
					<b>For the year ended 31st March, 2009</b>		<b>For the year ended 31st March, 2008</b>	

19. Expenditure in Foreign Currencies (paid/provided)

Travelling	<b>8,03</b>	15,72
Commission	<b>21,52</b>	35,02
Spares/Machinery purchased	<b>48,02</b>	3,75,55

20. C.I.F. Value of Imports

Raw Materials	<b>4,48,81</b>	16,56,01
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21. Earnings in Foreign Exchange

F.O.B. Value of Exports	<b>49,76,80</b>	62,48,85
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22. Raw Materials consumed

	<b>For the year ended 31st March, 2009</b>		<b>For the year ended 31st March, 2008</b>	
	<b>Qty. M.T.</b>	<b>Value</b>	<b>Qty. M.T.</b>	<b>Value</b>
Raw Jute	<b>51,088</b>	<b>81,39,41</b>	52,188	70,91,33
Cotton, Yarn, Viscose & PP. Tape	—	<b>50,66</b>	—	27,98
		<b>81,90,07</b>		<b>71,19,31</b>

## Schedules to the Accounts

### SCHEDULE 'N' (Contd.)

(Rs. in '000)

23. Installed Capacity (*)		
Particulars	<b>2008 - 2009</b>	<b>2007 - 2008</b>
	<b>M.T.</b>	<b>M.T.</b>
Installed capacity	<b>57,500</b>	<b>57,500</b>

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

### 24. Production, Sales and Stocks

	<b>For the year ended</b>		<b>For the year ended</b>	
	<b>31st March, 2009</b>		<b>31st March, 2008</b>	
	<b>Qty.</b>	<b>Value</b>	<b>Qty.</b>	<b>Value</b>
	<b>M.T.</b>	<b>—</b>	<b>M.T.</b>	<b>—</b>
Production : Jute Goods	<b>46,788</b>	<b>—</b>	47,906	<b>—</b>
Outside Purchases Jute Goods	<b>12</b>	<b>5,08</b>	11	400
Sales : Jute Goods	<b>46,084</b>	<b>1,70,95,76</b>	46,360	1,55,20,91
Damaged / Destroyed	<b>—</b>	<b>—</b>	26	9,04
	<b>Opening Stock</b>		<b>Closing Stock 2007-2008</b>	
	<b>2007-2008</b>		<b>Opening Stock 2008-2009</b>	
	<b>Qty.</b>	<b>Amount</b>	<b>Qty.</b>	<b>Amount</b>
	<b>M.T.</b>	<b>—</b>	<b>M.T.</b>	<b>—</b>
Jute Goods	414	1,83,79	1,945	7,34,73
	<b>Closing Stock</b>		<b>2008-2009</b>	
	<b>Qty.</b>	<b>Amount</b>	<b>Qty.</b>	<b>Amount</b>
	<b>M.T.</b>	<b>—</b>	<b>M.T.</b>	<b>—</b>
	2,661	11,40,93		

(Amount includes value of semi-finished goods)

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

### 25. Related Party Disclosures

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

#### A. Relationships

##### 1) Subsidiaries

- a) Ludlow Exports Ltd.
- b) Vidun Dealers Ltd.

##### 2) Key Managerial Personnel

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

**Schedules to the Accounts**

**SCHEDULE 'N' (Contd.)**

(Rs. in '000)

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

	2008-09		2007-08	
	A (1)	A (2)	A (1)	A (2)
a) Sales of goods	—	—	—	—
b) Guarantees given	—	—	—	—
c) Advance Recovered	50	—	—	—
d) Investment	25,01	—	25,01	—
e) Remuneration, Perquisites & Others	—	75,86	—	53,60
f) Balance outstanding at the year end				
Advance given	2,00	—	2,50	—
Creditors	24,47	—	24,71	—

26. Earning per Share :

	As at 31st March, 2009	As at 31st March, 2008
Earning per share has been computed as under :		
a) Profit/(Loss) after Taxation as per Profit & Loss Account	2,28,96	2,93,07
b) Weighted average number of Equity Shares	1,07,73,120	1,07,73,120
c) Basic and diluted earnings per share (in Rs.) (Face value per share Rs.10/-)	2.13	2.72

27. Figures are not exclusively comparable as the mill was under closure from 1st December, 2008 to 18th December, 2008 due to mass Industrial Strike. There were no production activities during that period.

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

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

**Signatures to Schedules 'A' to 'N'**

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner  
Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 27th day of June, 2009

**For and on behalf of the Board**

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

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

**I. REGISTRATION DETAILS**

Registration No.	32394
State Code	21
Balance Sheet Date	31st March, 2009

**II. CAPITAL RAISED DURING THE YEAR**

(Amount in Rs. in thousands )

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

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

(Amount in Rs. thousands)

Total Liabilities	308810
Total Assets	308810

**SOURCES OF FUNDS**

Paid-up Capital	107977
Reserves & Surplus	146064
Secured Loans	54769
Unsecured Loans	Nil
Deferred Tax	Nil

**APPLICATION OF FUNDS**

Net Fixed Assets	294336
Investments	25517
Current Assets ( Net )	(22630)
Misc. Expenditure	Nil
Accumulated Losses	Nil
Deferred Tax	11587

**IV. PERFORMANCE OF THE COMPANY**

(Amount in Rs. thousands)

Turnover(Gross Revenue)	1717701
Total Expenditure	1676138
Profit/(Loss) before Tax	41563
Profit/(Loss) after Tax	22896
Earnings per Share (in Rs.)	2.13
Dividend Rate (%)	10% (Proposed)

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

(As per monetary terms)

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

**For and on behalf of the Board**

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

Kolkata, the 27th day of June, 2009

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

**Section 212 (1) (e)**

<u>Name of Subsidiary Companies</u>	<u>Financial Year ended</u>	<u>Holding Company's Interest</u>
Vidun Dealers Limited	31.03.2009	100.00%
Ludlow Exports Limited	31.03.2009	100.00%
	<u>For the Financial Year ended 31.03.2009</u>	<u>For the Previous Financial Year ended 31.03.2008</u>
	(in Rs.)	(in Rs.)

**Section 212 (3) (b)**

i) Net aggregate amount of Subsidiary's Profit(+)/Loss (-) which concerns the Members of the Holding Company and not Dealt with in the Company's Accounts :		
Vidun Dealers Limited	(74,45)	(10,827)
Ludlow Exports Limited	(16,206)	(18,123)
ii) Net aggregate amount of Subsidiary's profit dealt with in the Company's Accounts.	Nil	Nil

**SECTION 212 (5)**

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

**For and on behalf of the Board**

D. K. BUBNA <i>Executive Director cum Company Secretary</i>	A. C. MUKHERJI <i>Director</i>	S. S. KANORIA <i>Executive Chairman</i>
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Kolkata, the 27th day of June, 2009



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

1. We have examined the attached consolidated Balance Sheet of **LUDLOW JUTE & SPECIALITIES LIMITED** (formerly Aekta Limited) and its subsidiaries as at 31st March, 2009 and also the consolidated Profit & Loss Account of the said Company for the year ended on that date annexed hereto and the consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries, whose financial statement reflect total assets of Rs.25.22 Lacs as at 31st March, 2009 and total revenues of Rs. 0.04 lacs and total cash flows of Rs. 0.07 lacs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the company in accordance with the requirement of Accounting Standard (AS) 21 "Consolidated Financial Statement" on the basis of the separate audited financial statement of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiaries included in the Consolidated Financial Statement.
5. On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its aforesaid subsidiaries and read with the accounting policies and other notes in schedule "M" give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view: -
  - i) In the case of the consolidated Balance Sheet, of the consolidated state of affairs of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiaries as at 31st March, 2009.
  - ii) In the case of the consolidated Profit & Loss Account, of the consolidated result of operations of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiaries for the year ended on that date; and
  - iii) In the case of the consolidated Cash Flow Statement, of the consolidated Cash Flows of Ludlow Jute & Specialities Limited (formerly Aekta Limited) and its subsidiaries for the year ended on that date.

For SINGHI & CO.  
Chartered Accountants

M. L. SHUKLA  
Partner  
Membership No. 051505

1-B, Old Post Office Street  
Place : Kolkata  
Dated : 27th day of June, 2009

# Ludlow Jute & Specialities Limited

Consolidated Balance Sheet of Ludlow Jute & Specialities Ltd. and its Subsidiaries as at 31st March, 2009

(Rs. in '000)

	Schedule	As at 31st March, 2009	As at 31st March, 2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	'A'	10,79,77	10,79,77
Reserves & Surplus	'B'	14,58,31	14,37,81
<b>Loan Funds</b>			
Secured Loans	'C'	5,47,69	5,24,55
<b>Total Funds Employed</b>		<b>30,85,77</b>	<b>30,42,13</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	'D'	75,29,08	70,06,21
Less : Depreciation		47,28,42	44,43,79
Net Block		28,00,66	25,62,42
Capital Work-in-Progress		1,42,70	1,33,56
		<b>29,43,36</b>	<b>26,95,98</b>
<b>Investments</b>		<b>2,30,16</b>	<b>2,35,29</b>
<b>Deferred Tax Assets (Net)</b>		<b>1,15,87</b>	<b>85,39</b>
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	'E'	37,64,69	32,92,21
Sundry Debtors		9,41,79	8,34,90
Cash & Bank Balances		1,79,00	79,72
Loans, Advances & Deposits		7,75,77	6,57,11
		<b>56,61,25</b>	<b>48,63,94</b>
<b>Less : Current Liabilities &amp; Provisions</b>	'F'		
Current Liabilities		38,74,78	31,20,72
Provisions		19,90,09	17,17,75
		<b>58,64,87</b>	<b>48,38,47</b>
<b>Net Current Assets</b>		<b>(2,03,62)</b>	<b>25,47</b>
<b>Total Assets</b>		<b>30,85,77</b>	<b>30,42,13</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
	'M'		

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

As per our Report of even date annexed.

For SINGHI & CO.

Chartered Accountants

M. L. SHUKLA

Partner

Membership No. 051505

1-B, Old Post Office Street

Kolkata, the 27th day of June, 2009

For and on behalf of the Board

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

**Consolidated Profit & Loss A/c. of Ludlow Jute & Specialities Ltd. and its Subsidiaries as at 31st March, 2009**

(Rs. in '000)

	Schedule	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>INCOME</b>			
Sales	'G'	1,70,91,49	1,55,37,89
Other Income	'H'	85,56	3,14,41
		<u>1,71,77,05</u>	<u>1,58,52,30</u>
<b>EXPENDITURE</b>			
(Increase)/Decrease in Finished Goods and Process Stocks	'I'	(4,62,08)	(5,36,02)
Raw Materials Consumed	'J'	81,90,07	71,19,31
Purchase of Finished Goods		5,08	4,01
Manufacturing, Selling, Administrative and Other Expenses	'K'	86,88,54	85,56,13
Interest	'L'	1,35,38	1,16,14
		<u>1,65,56,99</u>	<u>1,52,59,57</u>
Profit/(Loss) Before Depreciation & Tax		6,20,06	5,92,73
Less : Depreciation		2,86,85	2,43,60
Less : Transferred from Revaluation Reserve		82,18	82,18
		2,04,67	1,61,42
Profit/(Loss) Before Tax		4,15,39	4,31,31
Less : Provision for			
Income Tax		1,59,87	2,34,54
Deferred Tax		(30,48)	(1,04,34)
Fringe Benefit Tax		8,20	8,23
		<u>2,77,80</u>	<u>2,92,88</u>
Less : Income Tax Relating to Earlier Year		49,08	—
Profit After Tax		2,28,72	2,92,88
Balance brought forward from last A/c		2,78,44	1,94,39
Less : Goodwill written Back		—	25
Less : Adj. For employees benefit net of Deferred Tax		—	82,54
		<u>2,78,44</u>	<u>1,11,60</u>
Balance available for appropriation		5,07,16	4,04,48
Proposed Dividend		1,07,73	1,07,73
Corporate Dividend Tax		18,31	18,31
Balance carried to Balance Sheet		<u>3,81,12</u>	<u>2,78,44</u>
Basic & diluted Earning Per Share (Rs.)		2.12	2.72
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES ON ACCOUNTS</b>			
	'M'		

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

For SINGHI & CO.

Chartered Accountants

M. L. SHUKLA

Partner

Membership No. 051505

1-B, Old Post Office Street

Kolkata, the 27th day of June, 2009

For and on behalf of the Board

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

Consolidated Cash Flow Statement for the year ended 31st March, 2009

	(Rs'000)	
	2008-2009	2007-2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT/(LOSS) BEFORE TAX &amp; EXTRAORDINARY ITEMS</b>	<b>4,15,39</b>	<b>4,31,31</b>
Adjustments for :		
Depreciation	2,02,64	1,61,42
Income from Interest	(4,52)	(2,25)
Income from Dividend	(15,27)	(32,84)
Interest Expenses	1,35,37	1,16,14
(Profit)/Loss from sale of Fixed Assets	(12,33)	(5,97)
Provision For Gratuity	1,07,13	3,70,49
Provision For Leave	20,75	18,31
Provision For Doubtful debts	2,89	—
Liabilities written back	(5,63)	—
Provision for dimunition in the value of investment	9	(3)
	<b>8,46,51</b>	<b>10,56,58</b>
<b>Adjustment for change in Working Capital</b>		
Trade & other receivables (increase)	(81,54)	(3,13,69)
Inventories	(4,72,48)	(18,37,61)
Trade Payables and Liabilities	7,51,32	15,68,10
<b>CASH GENERATED FROM OPERATIONS</b>	<b>10,43,81</b>	<b>4,73,38</b>
Income tax Net of paid/provisions (including FBT)	2,16,37	3,05,67
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>8,27,44</b>	<b>1,67,71</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5,32,22)	(9,99,50)
Sale/Adjustment of Fixed Assets	12,34	26,88
Sale/(Purchase) of Investment	5,03	2,00,00
Interest Received	4,52	2,25
Dividend Received	15,27	32,84
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(4,95,06)</b>	<b>(7,37,53)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	23,14	5,24,55
Dividend Paid	(1,03,10)	—
Dividend Tax Paid	(18,31)	—
Interest Paid	(1,34,83)	(1,16,14)
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b>(2,33,10)</b>	<b>4,08,41</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>99,28</b>	<b>(1,61,41)</b>
<b>OPENING CASH &amp; CASH EQUIVALENTS</b>	<b>79,72</b>	<b>2,41,13</b>
<b>CLOSING CASH &amp; CASH EQUIVALENTS</b>	<b>1,79,00</b>	<b>79,72</b>
<b>CASH &amp; CASH EQUIVALENTS COMPRISES</b>		
Cash and Bank Balances	<b>1,79,00</b>	<b>79,72</b>

- Notes :**
1. Above statement has been prepared in indirect method except in case of interest, dividend, purchase of investments and taxes which have been considered on the basis of the actual movement of cash, with corresponding adjustments in assets & liabilities.
  2. Additions to Fixed Assets are stated at inclusive of movements of Capital work-in-progress between beginning and end of the year and treated as part of investing activities.
  3. Cash and Cash Equivalents represent "Cash Balance in hand and Balances with Scheduled Banks" and includes Rs. 4,63 (Previous year Rs. Nil) in Unpaid Dividend Account and Rs. 36,95 (Previous year Rs. 43,20) in Fixed Deposit kept with Scheduled Banks as margin money against Bank Guarantee and letter of Credit.
  4. Figures have been regrouped where ever necessary.

As per our Report of even date annexed.

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner

Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 27th day of June, 2009

For and on behalf of the Board

D. K. BUBNA  
Executive Director cum  
Company Secretary

A. C. MUKHERJI  
Director

S. S. KANORIA  
Executive Chairman

## Schedules to the consolidated Balance Sheet

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED		
1,49,90,000 Equity Shares of Rs.10/- each	14,99,00	14,99,00
1,000 Redeemable Preference Shares of Rs.100/- each	1,00	1,00
	<u>15,00,00</u>	<u>15,00,00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,07,73,120 Equity Shares of Rs.10/- each paid up (Out of above 6,00,000 Equity Shares issued for consideration other than cash in pursuance of Scheme of Arrangement sanctioned by High Court).	10,77,31	10,77,31
Add : Forfeited Shares	2,46	2,46
	<u>10,79,77</u>	<u>10,79,77</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Reserve (As per Last Balance Sheet)	10,54	10,54
Capital Redemption Reserve	5	5
Revaluation Reserve	5,62,83	6,45,01
Less : Transferred to Profit & Loss Account	82,18	82,18
	<u>4,80,65</u>	<u>5,62,83</u>
Share Premium (As per Last Balance Sheet)	5,85,95	5,85,95
Profit/(Loss) as per Account Annexed	3,81,12	2,78,44
	<u>14,58,31</u>	<u>14,37,81</u>
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
<b>Working Capital Borrowings</b>		
From Banks	5,47,14	5,24,55
Interest Accrued and Due	55	—
	<u>5,47,69</u>	<u>5,24,55</u>

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

## Schedules to the consolidated Balance Sheet

## SCHEDULE 'D'

## FIXED ASSETS

(Rs. in '000)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	Total Value As at 1.4.2008	Addition and/or Adjust-ment	Sales and/or Adjust-ment	Total Value As at 31.3.2009	Total as on 1.4.2008	Provided during the year	Sales/ Adj. during the year	Depreciation for addition on Revaluation	Total upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
Goodwill	(1)	—	—	(1)	—	—	—	—	—	(1)	(1)
Freehold Land	1,39,09	—	—	1,39,09	—	—	—	—	—	1,39,09	1,39,09
Buildings	14,47,29	51,48	—	14,98,77	9,44,55	6,93	—	47,66	9,99,14	4,99,63	5,02,74
Plant & Machinery	47,29,37	4,81,61	40,61	51,70,37	31,37,49	1,66,27	2,03	28,71	33,30,44	18,39,93	15,91,88
Workshop Machinery & Installations	21,96	—	—	21,96	21,95	—	—	—	21,95	1	1
Electrical Machinery & Installation	1,33,45	1,97	—	1,35,42	67,44	6,85	—	1,10	75,39	60,03	66,01
Water Supply Installation	1,22,80	12,50	—	1,35,30	53,81	1,98	—	2,80	58,59	76,71	68,99
Roads, Drainage & Fencing	55,46	—	—	55,46	18,22	74	—	23	19,19	36,27	37,24
Motor Vehicles & Fork Lifts	2,33,29	9,08	—	2,42,37	1,27,21	13,28	—	1,68	1,42,17	1,00,20	1,06,08
Motor Launch	20	—	20	0	19	—	19	—	0	0	1
Furniture & Fixtures, Office Equipments, Air Conditioners, Telephone Installations & Laboratory Equipments	1,23,30	7,04	—	1,30,34	7293	862	—	—	81,55	48,79	50,37
<b>Total</b>	<b>70,06,21</b>	<b>5,63,68</b>	<b>40,81</b>	<b>75,29,08</b>	<b>44,43,79</b>	<b>2,04,67</b>	<b>2,22</b>	<b>82,18</b>	<b>47,28,42</b>	<b>28,00,66</b>	<b>25,62,42</b>
<b>Previous Year</b>	<b>61,63,47</b>	<b>9,23,81</b>	<b>81,07</b>	<b>70,06,21</b>	<b>42,02,24</b>	<b>1,61,42</b>	<b>-2,05</b>	<b>82,18</b>	<b>44,43,79</b>	<b>25,62,42</b>	

**NOTE :** Fixed Assets of the Company excluding minor items, were revalued by an external Independent Valuer on 31st March, 1992 which resulted in increase of Fixed Assets Value by **Rs.30,04,76** on Net Current Replacement Basis. This increase had been transferred to Revaluation Reserve Account. After adjustment in respect of Fixed Assets sold/ discarded and Depreciation Provided, the Revaluation Reserve now stands at **Rs. 4,80,65** as on 31.03.2009.

## Schedules to the consolidated Balance Sheet

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE 'E'</b>		
<b>CURRENT ASSETS, LOANS, ADVANCES &amp; DEPOSITS</b>		
<b>(A) CURRENT ASSETS</b>		
Closing Stock (as taken, valued and certified by the Management)		
Stores, Spare Parts & Packing Materials (at cost)	1,84,88	1,30,40
<u>Raw Materials</u>		
Raw Jute (at lower of cost or net realisable value)	22,74,05	23,22,89
Finished Goods (at lower of cost or net realisable value)	11,40,93	7,34,73
Stock-in-Process (at lower of cost or net realisable value)	1,64,83	1,04,19
	<u>37,64,69</u>	<u>32,92,21</u>
<b>SUNDRY DEBTORS</b>		
<b>Debts exceeding six months</b>		
Unsecured Considered good	1,23,40	77,31
Less : Provision for Doubtful Debts	89	—
<b>Other Debts</b>	<u>1,22,51</u>	<u>77,31</u>
Unsecured Considered good	8,19,28	7,57,59
	<u>9,41,79</u>	<u>8,34,90</u>
<b>CASH AND BANK BALANCES</b>		
Cash in hand (incl. stamps) (as certified by the management)	7,20	8,96
Balances with Scheduled Banks		
in Current Accounts	1,26,40	24,57
in Margin Account	2,45	1,20
in Fixed Deposit Account	34,50	42,00
in EEFC Account	3,82	2,99
in Unpaid Dividend A/c. (2008)	4,63	—
	<u>1,79,00</u>	<u>79,72</u>

**Schedules to the consolidated Balance Sheet**

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
<b>SCHEDULE 'E' (Contd.)</b>		
<b>(B) LOANS, ADVANCES &amp; DEPOSITS</b>		
Advances (recoverable in cash or in kind or for value to be received and/or pending adjustment)(Unsecured,considered good/ unless otherwise stated)		
For purchase of goods	26,89	47,25
Advance against Income Tax & TDS	5,72,65	4,36,22
Advance against Fringe Benefit Tax	22,14	17,93
Prepaid expenses	28,55	24,10
To Others	9,77	9,80
To Workmen Festival Advance	2,24	3,03
To Staff	2,47	1,67
Balance with Government Authorities	43,86	43,77
Claims receivable etc.	3,27	—
DEPB Licence Receivable	43,18	28,46
Deposits (Unsecured,considered good unless otherwise stated)	6,09	4,77
Duty Draw Back Receivable	14,66	40,11
	<u>7,75,77</u>	<u>6,57,11</u>

**SCHEDULE 'F'**

**CURRENT LIABILITIES & PROVISIONS**

**CURRENT LIABILITIES**

**Sundry Creditors**

For Goods	21,03,08	15,68,95
For Expenses	16,00,89	14,33,04
(Includes Rs. Nil for Micro,Small and Medium Enterprises, Previous year Rs. Nil )		
Security & Trade Deposits	12,80	10,37
Unpaid Dividend*	4,63	—
Other Liabilities	1,53,38	1,08,36

	<u>38,74,78</u>	<u>31,20,72</u>
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**PROVISIONS**

For Disputed Statutory Dues		
i) Employee State Insurance	2,59	2,59
ii) Land Revenue Tax	49	49
For Gratuity	12,35,97	11,26,46
For Leave Pay	79,55	58,80
For Income Tax	5,21,50	3,80,54
For Fringe Benefit Tax	23,95	22,83
For Proposed Dividend - 2009	1,07,73	1,07,73
For Proposed Dividend Tax - 2009	18,31	18,31
	<u>19,90,09</u>	<u>17,17,75</u>

\* No amount are due and outstanding to be credited to Investor Educations and Protection Fund.



## Schedules to the consolidated Profit & Loss Account

(Rs. in '000)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
<b>SCHEDULE 'G'</b>		
<b>SALES</b>		
Finished Products (Including Export Sale Rs. 60,15,23, Previous year Rs. 68,46,25)	1,70,95,76	1,55,20,91
Less : Jute Manufacturing Cess Refer note B(8) in Schedule "M"	1,59,12	1,47,30
	<u>1,69,36,64</u>	<u>1,53,73,61</u>
<b>ADD : SALES RELATED INCOME</b>		
Export Benefits	1,54,85	1,64,28
Sub Total	<u>1,54,85</u>	<u>1,64,28</u>
Grand Total	<u>1,70,91,49</u>	<u>1,55,37,89</u>

## SCHEDULE 'H'

### OTHER INCOME

Rent	11,78	12,48
Exchange Fluctuation Gain	—	2,23,47
Miscellaneous Income	28,16	26,15
Insurance & Other Claims	3,27	10,13
Excess Liabilities & Credit balance w/back (Net)	2,57	1,10
Excess Depreciation Written Back	2,03	—
Adjustment Relating to earlier year	5,63	—
Dividend received (on Long-term Investments)	15,27	32,84
Interest Received	4,52	2,24
Profit on Sale of Fixed Assets	12,33	5,97
Provision for Diminution in Investment w/back	—	3
	<u>85,56</u>	<u>3,14,41</u>

## SCHEDULE 'I'

### (INCREASE)/DECREASE IN STOCK

#### OPENING STOCK

Finished Goods (including Semi-finished goods Rs. 84,66)	7,34,73	1,83,79
Stock-in-Process	1,04,19	1,13,50
	<u>8,38,92</u>	<u>2,97,29</u>

#### Deduct : CLOSING STOCK

Finished Goods	11,40,93	7,34,73
(including semi-finished goods Rs. 97,67)		
Stock-in-Process	1,64,83	1,04,19
	<u>13,05,76</u>	<u>8,38,92</u>
	4,66,84	5,41,63
	4,76	5,61

Less : Differences of charges on a/c of Cess on  
Opening & Closing Stock

<b>Net Differences</b>	<u>(4,62,08)</u>	<u>(5,36,02)</u>
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**Schedules to the consolidated Profit & Loss Account**

(Rs. in '000)

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
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**SCHEDULE 'J'**

**RAW MATERIALS CONSUMED**

Opening Stock	23,22,89	10,47,52
Add : Purchases	81,41,23	83,94,68
	1,04,64,12	94,42,20
Less : Closing Stock	22,74,05	23,22,89
	81,90,07	71,19,31

**SCHEDULE 'K'**

**MANUFACTURING, SELLING, ADMINISTRATIVE AND OTHER EXPENSES**

Consumption of Stores & Spares (including packing material)	11,24,63	10,17,52
Power & Fuel	9,77,61	9,38,17
Manufacturing & Processing Expenses	3,01,88	2,53,18
Salaries, Wages & Bonus	33,87,37	32,78,43
Gratuity	1,78,88	4,66,16
Contribution to P.F. & Other Funds	3,96,14	4,53,88
Staff & Workers Welfare Expenses	71,22	46,95
Rates & Taxes	14,13	6,20
Rent	27,40	28,84
Insurance	34,17	44,59
Repairs & Maintenance :		
Plant & Machinery	1,08,11	1,45,01
Buildings	88,48	1,29,10
Others	61,57	58,93
Commission & Brokerage on sales	57,43	49,39
Freight, Transport & Selling Expenses	13,18,31	14,36,70
Travelling Expenses (including Directors Travelling Rs. 15,90, Previous year Rs. 28,55)	31,09	40,05
Legal & Professional Expenses	26,13	25,18
Provision for doubtful Debts	2,89	—
Provision for Diminution in Investment	9	—
Miscellaneous Expenses	1,42,19	1,27,10
Adjustment Relating to earlier year	—	4,58
Exchange Fluctuation Loss	3,33,59	—
Directors' Fee	1,73	2,67
Auditors' Remuneration :		
Statutory Auditors :		
Audit Fee	2,32	2,37
Fees for certification	98	93
Cost Auditors :		
Audit Fees	20	20
	86,88,54	85,56,13

**SCHEDULE 'L'**

**INTEREST**

To Banks & Others	1,35,38	1,16,14
	1,35,38	1,16,14

## Schedules to the Accounts

### SCHEDULE 'M'

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### PRINCIPLES OF CONSOLIDATION

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

The subsidiary companies considered in the consolidated financial statements are :

Sl. No.	Name of the Company	Country of Incorporation	% of Holding
1.	Vidun Dealers Limited	India	100
2.	Ludlow Export Limited	India	100

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1. Basis of Accounting

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

###### 2. Fixed Assets & Capital Work-in-Progress

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

Capital Work-in-Progress is stated at cost.

###### 3. Intangible Assets

Intangible assets are stated at cost. Cost includes any directly attributable expenditure on making the asset ready for its intended use.

###### 4. Depreciation and Amortisation

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

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

###### 5. Impairment

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

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

**Schedules to the Accounts****SCHEDULE 'M' (Contd.)****6. Investments**

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

**7. Inventories****Basis of Valuation :**

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

**8. Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transactions. Premium on forward contract are being accounted for during the life of the contract. Foreign Currency Assets/Liabilities, not covered by forward contracts, are reinstated at the rate prevailing at the year-end.

**9. Recognition of Income and Expenditure**

Items of Income and Expenditure are recognised on accrual basis.

**10. Sales**

Sales are inclusive of transport & delivery charges realised less excise duty, cess, rebates & claims, sales returns & discounts including for earlier years.

**11. Borrowing Cost**

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

**12. Employee Benefit**

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

**13. Taxes on Income**

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

## Schedules to the Accounts

### SCHEDULE 'M' (Contd.)

(Rs. in '000)

#### 14. Government Grant

Grant from Government are recognised on compliance of conditions and on reasonable assurance of the same being received. Capital incentives received during the year are deducted from Fixed Assets. Revenue Grants related to export incentives are shown under the head Sales as Sales related income & other grants are deducted from the other expenses.

#### 15. Provision, Contingent Liability and Contingent Assets

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

### B. NOTES ON ACCOUNTS :

	As at 31st March, 2009	As at 31st March, 2008
1. Contingent Liabilities not provided for in respect of :		
a) Bills Discounted with Banks	4,83,62	6,05,75
b) Other Disputed Claims (ESI) (Advance paid Rs. 18,93 Previous year Rs. 17,13)	56,91	56,91
c) Excise Duty Demand disputed		
(i) Excise Authority raised the demand on transit loss of JBO from 1964 to 1969. Writ Petition pending before High Court at Kolkata.	43	43
(ii) Excise Authority raised the demand on Jute Webbing as differential duty between specific rate as per classification list and advalorem rate. Matter is pending before Appeallate Authority. (Advance paid Rs. 3,00 Previous year Rs. 3,00)	17,80	17,80
(iii) Penalty imposed by Excise Official on Jute Twine lifted during 2006-07, pending before Central Excise Appeal.	5	5
d) (i) Disputed demand against Sales Tax for which the Company has preferred appeal (Advance paid Rs. 12,70 Previous year Rs. 12,70)	77,25	77,25
(ii) Disputed demand against Sales Tax for the 4 Q.E.31.03.2005 & 2006 for which Appeal is pending before D.C.C.T.(CD).	1,30,60	22,36
e) Disputed demand against Income Tax for which Appeals are pending with ITAT (A.Y. 2002-03 & 2003-04 )	Nil	37,09
f) Land Revenue (Rent) raised by the office of the B.L & L.R. Officer Uluberia - II, Howrah due to retrospective changes in W.B.Land Reform Act. Matter is pending before W.B. Land Reform Tribunal.	59,66	54,28

**Schedules to the Accounts**

**SCHEDULE 'M' (Contd.)**

(Rs. in '000)

	As at 31st March, 2009	As at 31st March, 2008
2. a) Outstanding Bank Guarantees	<b>2,50,65</b>	2,55,22
b) Outstanding Letter of Credit	<b>11,68,60</b>	5,12,82
3. Estimated amount of contracts remaining to be executed on Capital Account not provided for (Advance given Rs. Nil, Previous year Rs. 16,69)	<b>Nil</b>	54,46
4. Loans, Advances & Deposits include receivable from a Subsidiary Company Name of the Company : Vidun Dealers Ltd. Maximum amount outstanding during the year Rs. 2,50	<b>2,00</b>	2,50
5. Remuneration to Executive Chairman & Executive Director cum Company Secretary for the year is debited to respective heads of account.		
- Salary	<b>40,80</b>	26,00
- Contribution to Provident Fund	<b>4,08</b>	2,60
- Perquisites	<b>13,95</b>	10,41

The above does not include Provision for Gratuity and Leave encashment.

6. Disclosure as per Accounting Standard - 29

Particulars	Opening Balance	Addition	Deduction	Closing Balance
Disputed Statutory Matter	3,08	—	—	3,08

Represents the provision for disputed Statutory liabilities on account of cases pending with courts /or concerned authorities based on estimate made by the company considering the facts & circumstances.

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

a) The amount recognised as expenses for the Defined Contribution Plans are as under :-

	For the year ended 31st March, 2009	For the year ended 31st March, 2008
i) Employees Provident Fund	<b>4,48</b>	14,60
ii) Employees Pension Scheme	<b>1,92,66</b>	2,22,33

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

i) Benefits are of the following types :

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

## Schedules to the Accounts

### SCHEDULE "M" (Contd.)

(Rs. in '000)

ii) The amounts recognised in the Balance Sheet as at 31st March 2009 are as follows :

	<u>Gratuity</u> <u>(2008-2009)</u>	<u>Gratuity</u> <u>(2007-2008)</u>
Present Value of unfunded obligations	12,35,97	11,26,46
Unrecognized past service cost	—	—
Liabilities in respect of unfunded obligations Based on actuarial basis	<u>12,35,97</u>	<u>11,26,46</u>

The amounts recognized in the Profit and Loss account for the year ended 31st March, 2009 are as follow :

Current service cost	1,13,92	1,07,16
Interest cost on obligation	88,59	86,93
Expected Return on plan assets	—	—
Expected Return on any reimbursement right	—	—
Recognized as an asset	—	—
Net actuarial losses/(gains) recognized during the year	(23,63)	(1,63,69)
Past service cost	—	—
Losses/(gains) on curtailments and settlements	—	—
Total included in 'payments to and Provisions for employees'	<u>1,78,88</u>	<u>30,40</u>

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

Present value of defined benefit obligation at the beginning of the year	1126.46	1191.71
Employer Service Cost (+)	113.92	107.16
Interest Cost (+)	88.59	86.93
Curtailement Cost (+)	—	—
Settlement Cost (+)	—	—
Plan Amendments	—	—
Acquisitions	—	—
Actuarial Gains (-)/Loss (+)	(-)23.63	(-)163.69
Benefit Paid/Liabilities Created (-)	69.37	95.65
Present value of Defined Benefit obligations at the end of the year	1235.97	1126.46

**Schedules to the Accounts**

**SCHEDULE "M" (Contd.)**

(Rs. in '000)

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

1	Mortality	:	LIC (1994-96), ultimate table
2	Morbidity	:	No Explicit Allowance
3	Withdrawal	:	2% to 1%, depending on the age and length of service
4	Discount Rate	:	7.5% p.a. being consistent with the yield on Long Term Govt. Bond
5	Salary Increase	:	5% p.a.
6	Normal Age of Retirement	:	58 years

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

vi) In respect of provident funds in the nature of defined benefits plan, pending the issuance of the Guidance Note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability and therefore contributions to those provident funds amounting to Rs. 53,26, (Previous year Rs. 53,61) during the year is recognized as expense and included in 'Payments to and Provision for Employees'.

Shortfall if any in the contribution to the Provident Funds in the nature of defined benefit plans could not be ascertained and provided.

8. Sales include Rs. 21,55,01 on account of goods sent on consignment (Previous year Rs.13,99,86) which has been considered on the basis of proforma invoice/actual realisation. However, the Management does not anticipate any loss on this account.

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

10. The amount of borrowing cost capitalized during the year is Rs. Nil (Previous year Nil).

11. The financial effects of changes in Foreign Exchange rate are as under.

i) Net loss of Rs.3,32,71 for the year on account of exchange difference is included in "Miscellaneous Expenditure" shown in Schedule K (Previous Year Rs. 2,19,40 gain shown in "Other Income" under Schedule H:

ii) Exchange difference adjusted in the carrying amount of EEFC (Dollar deposit) A/c during the year is Rs. 84 (Profit) (Previous year Rs. 5 loss).

iii) Exchange loss in respect of forward exchange contract is recognized in the Profit & Loss Account for the accounting year is Rs. 1,72 (Previous year Rs. 4,11 loss).

12. The company is entitled for export incentives available under target plus scheme, in relation to additional export made during the year as per Foreign Trade Policy. The incentive under the scheme is non transferable and can be utilized for import of material only. Due to uncertainty about sufficient future import of material within stipulated time for utilising the incentive, the company has not recognised the export incentive during the year. The same will be accounted for on certainty about the utilisation of incentives on import of material.



## Schedules to the Accounts

### SCHEDULE "M" (Contd.)

(Rs. in '000)

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

Liability	As at 31st March, 2009	As at 31st March, 2008
Timing difference in depreciable Assets	3,35,21	3,17,90
Total : A	<u>3,35,21</u>	<u>3,17,90</u>
<b>Assets</b>		
Provision for Leave, Doubtful Debts & Gratuity	4,48,12	4,02,86
Other timing difference	2,96	43
Total : B	<u>4,51,08</u>	<u>4,03,29</u>
<b>Deferred Tax (Assets)/Liability Net (A - B)</b>	<u>(1,15,87)</u>	<u>(85,39)</u>

14. 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 from claiming their status as micro, small or medium enterprises. Consequently the amount paid/payable to such parties during the year is Rs. NIL.

15. a) Foreign Exchange Forward/ Option Contracts taken for future transaction for hedging and outstanding as on 31st March, 2009 are as follows :

Currency	Nature of transactions	Amount in US\$	Exposure
US\$	SELL	NIL (P.Y. 82,42)	US\$ earning

- b) Unhedged foreign currency for payables as on 31st March, 2009 is US\$ 15. (Previous year US\$ 13).
16. Balance with Government authorities include Rs. 6,50 being cash seized and lying with Income Tax Department since 2002-03. The matter is pending.
17. As Company's business activities falls within a single primary business segment viz. Jute Goods, the disclosure requirements of Accounting Standard – AS-17' Segment Reporting issued by The Institute of Chartered Accountants of India are not applicable in respect of business segment. However, the geographical segments considered for disclosures on the basis of sales are as under :

	2008-09	2007-08
Within India	1,10,80,53	86,74,66
Outside India	60,15,23	68,46,25
Total	<u>1,70,95,76</u>	<u>1,55,20,91</u>

**Schedules to the Accounts**

**SCHEDULE "M" (Contd.)**

(Rs. in '000)

18. Related Party Disclosures

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

A. Relationships

1) Key Managerial Personnel

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

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

	2008-09		2007-08	
	A (1)	A (2)	A (1)	A (2)
Remuneration, Perquisites & Others .	—	75,86	—	53,60

19. Earning per Share :

	As at 31st March, 2009	As at 31st March, 2008
--	---------------------------	---------------------------

Earning per share has been computed as under :

a) Profit/(Loss) after Taxation as per Profit & Loss Account	2,28,72	2,92,88
b) Weighted average number of Equity Shares	1,07,73,120	1,07,73,120
c) Basic and diluted earnings per share (in Rs.) (Face value per share Rs.10/-)	2.12	2.72

20. Figures are not exclusively comparable as the mill was under closure from 1st December, 2008 to 18th December, 2008 due to mass Industrial Strike. There were no production activities during that period.

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

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

**Signatures to Schedules 'A' to 'M'**

For SINGHI & CO.  
Chartered Accountants  
M. L. SHUKLA  
Partner

Membership No. 051505  
1-B, Old Post Office Street  
Kolkata, the 27th day of June, 2009

**For and on behalf of the Board**

D. K. BUBNA <i>Executive Director cum Company Secretary</i>	A. C. MUKHERJI <i>Director</i>	S. S. KANORIA <i>Executive Chairman</i>
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**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No.	32394
State Code	21
Balance Sheet Date	31st March, 2009

**II. CAPITAL RAISED DURING THE YEAR**

(Amount in Rs. thousands)

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

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

(Amount in Rs. thousands)

Total Liabilities	308577
Total Assets	308577

**SOURCES OF FUNDS**

Paid-up Capital	107977
Reserves & Surplus	145831
Secured Loans	54769
Unsecured Loans	Nil
Deferred Tax	Nil

**APPLICATION OF FUNDS**

Net Fixed Assets	294336
Investments	23016
Current Assets (Net)	(20362)
Misc. Expenditure	Nil
Accumulated Losses	Nil
Deferred Tax (Net)	11587

**IV. PERFORMANCE OF THE COMPANY**

(Amount in Rs. thousands)

Turnover (Gross Revenue)	1717705
Total Expenditure	1676166
Profit/(Loss) before Tax	41539
Profit/(Loss) after Tax	22872
Earnings per Share (in Rs.)	2.12
Dividend Rate (%)	10% (Proposed)

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

(As per monetary terms)

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

For and on behalf of the Board

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

A. C. MUKHERJI  
*Director*

S. S. KANORIA  
*Executive Chairman*

Kolkata, the 27th day of June, 2009

**DIRECTORS' REPORT  
TO THE SHAREHOLDERS**

Yours Directors have pleasure in presenting the 25th Annual Report along with the Audited Statements of Accounts of the Company for the year ended 31st March, 2009.

	<u>2008-2009</u> (Rs.)	<u>2007-2008</u> (Rs.)
<b>FINANCIAL RESULTS</b>		
Profit/(Loss) for the year	(7,445)	(10,827)
Less : Provision for Taxation	—	—
Profit/(Loss) for the year	(7,445)	(10,827)
Add : Balance Brought forward from last year	(2,27,524)	(2,16,697)
Balance carried forward	(2,34,969)	(2,27,524)

In view of carry forward losses, the Directors regret that they are unable to recommend dividend for the year under review.

**DIRECTORS**

Shri V. K. Ganeriwal, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards had been

followed along with proper explanation relating to material departures;

- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2009, on a 'going concern' basis.

**AUDITORS**

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

For and on behalf of the Board

Registered Office :  
6, Little Russell Street  
Kolkata - 700 071  
The 20th day of June, 2009

V. K. GANERIWAL      M.-P. SANGANERIA  
Director                      Director

## AUDITORS' REPORT

TO THE MEMBERS

We have audited the attached Balance Sheet of **VIDUN DEALERS LTD.** as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v) Since we have not received any written representation from Directors of the Company, we are unable to report about director's disqualification as at 31.03.2009, pursuant to Clause(g) of sub-section 1 of Section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Notes given in Schedule 'G' give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
  - b) in the case of the Profit & Loss Account of the Loss for the year ended on that date; and
  - c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For SALARPURIA JAJODIA & CO.  
Chartered Accountants

ANAND PRAKASH  
Partner  
Membership No. 56485

7, Chittaranjan Avenue  
Kolkata - 700 072  
The 20th day of June, 2009

**ANNEXURE TO THE AUDITORS' REPORT**

- 1) As the company has no fixed assets the Clauses (i) (a) (b) & (c) of the said order are not applicable.
- 2) As the company has no Inventories Clauses (ii) (a) (b) & (c) of the said order are not applicable to this Company.
- 3) As explained, during the year the company has not taken or granted any loans from Parties as are listed in the Register maintained U/s. 301 of the Companies Act, 1956, the comment on Clauses iii (a) to iii (g) does not arise. However, the company has taken advances from its holding company, the terms and conditions on which advance taken are not prima facie prejudicial to the interest of the company.
- 4) Based on the audit procedures applied by us & according to the information and explanations provided by the Management, we are of the opinion that the transactions that need to be entered into the register maintained U/s. 301 have been so entered. There was no transactions exceeding value of Rs. 5 lacs in respect of any party and as such comment on Clause No. v(b) does not arise.
- 5) Since the paid up capital and reserves of the company is less than Rs. 50 lacs as at the

commencement of the financial year concerned and the company has not started operational activities. So the company is not required to have an internal audit system.

- 6) a) According to the information and explanations given to us, no undisputed amount payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us there is no disputed demand of statutory dues against the company.
- 7) The accumulated loss of the company at the end of financial year are more than 50% of its net worth and it has incurred cash losses, in the financial year under report, and in the immediately preceding financial year.
- 8) As per the information of the Management and since the operational activities of the company are not there during the year the other clauses of the said order are not applicable to it viz. Clause No. iv, vi, viii, xi, xii, xiii, xiv, xv, xvi, xvii, xviii, xix, xx, xxi.

7, Chittaranjan Avenue  
Kolkata - 700 072  
The 20th day of June, 2009

For SALARPURIA JAJODIA & CO.  
Chartered Accountants

ANAND PRAKASH  
Partner  
Membership No. 56485

# Vidun Dealers Limited

## BALANCE SHEET

AS AT 31ST MARCH, 2009

	Schedule	As at 31.03. 2009 Rs.	As at 31.03. 2008 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	'A'	500	500
Reserves & Surplus	'B'	4,500	4,500
<b>Total Funds Employed</b>		<u>5,000</u>	<u>5,000</u>
<b>APPLICATION OF FUNDS</b>			
<b>Current Assets, Loans &amp; Advances</b>			
Cash & Bank Balances	'C'	18,351	19,677
Loans & Advances	'D'	—	61,840
		<u>18,351</u>	<u>81,517</u>
<b>Less : Current Liabilities &amp; Provisions</b>	'E'	<u>2,48,320</u>	<u>3,04,041</u>
Net Current Assets		(2,29,969)	(2,22,524)
Balance of Loss as per P/L A/c		<u>2,34,969</u>	<u>2,27,524</u>
<b>Total</b>		<u>5,000</u>	<u>5,000</u>

Notes on Accounts 'G'

Schedule 'A' to 'E' and Notes 'G' form an integral part of the Accounts

As per our separate report of even date attached hereto.

For SALARPURIA JAJODIA & CO.  
Chartered Accountants  
ANAND PRAKESH  
Partner  
Membership No. 56485  
7, Chittaranjan Avenue  
Kolkata - 700 072  
The 20th day of June, 2009

For and on behalf of the Board

V. K. GANERIWAL  
M. P. SANGANERIA  
Directors

## PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>INCOME</b>			
<b>Total 'A'</b>		<u>3,727</u>	<u>—</u>
<b>EXPENDITURE</b>			
Other Expenses	'F'	11,172	10,827
<b>Total 'B'</b>		<u>11,172</u>	<u>10,827</u>
PROFIT/(LOSS) ('A' - 'B')		(7,445)	(10,827)
Profit/(Loss) after Taxation		(7,445)	(10,827)
Add : Balance brought forward from Last Year		(2,27,524)	(2,16,697)
Balance carried forward		<u>(2,34,969)</u>	<u>(2,27,524)</u>
Basic and Diluted Earning Per Share of Rs. 10/- each			
Refer Note No. 2(g) of Schedule 'G'		(148.90)	(216.54)
Notes on Accounts	'G'		

Schedule 'F' and Notes 'G' form an integral part of the Accounts

As per our separate report of even date attached hereto.

For SALARPURIA JAJODIA & CO.  
Chartered Accountants  
ANAND PRAKESH  
Partner  
Membership No. 56485  
7, Chittaranjan Avenue  
Kolkata - 700 072  
The 20th day of June, 2009

For and on behalf of the Board

V. K. GANERIWAL  
M. P. SANGANERIA  
Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2009**

	31.03.2009 Rs.	31.03.2008 Rs.
<b>A. Cash Flow from Operating Activities</b>		
Net Loss before Tax and extraordinary items	<u>(7,445)</u>	<u>(10,827)</u>
Operating Profit before Working Capital Changes	<u>(7,445)</u>	<u>(10,827)</u>
Adjustments for Trade Payable	<u>(55,721)</u>	5,768
Adjustments for Trade Receivable	<u>61,840</u>	—
Cash Generated from Operations	<u>(1,326)</u>	<u>(5,059)</u>
<b>B. Cash Flow from Investing Activities</b>	—	—
Net Cash used in Investing Activities	—	—
<b>C. Cash flow from Financing Activities</b>	—	—
	—	—
<b>Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,326)</b>	<b>(5,059)</b>
<b>Cash and Cash Equivalents as at (Opening Balance)</b>	<b>19,677</b>	<b>24,736</b>
<b>Cash and Cash Equivalents as at (Closing Balance)</b>	<b>18,351</b>	<b>19,677</b>

For SALARPURIA JAJODIA & CO.  
Chartered Accountants  
ANAND PRAKESH  
Partner  
Membership No. 56485  
7, Chittaranjan Avenue  
Kolkata - 700 072  
The 20th day of June, 2009

For and on behalf of the Board

V. K. GANERIWAL  
M. P. SANGANERIA  
Directors



# Vidun Dealers Limited

## SCHEDULES TO THE BALANCE SHEET

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED		
40,000 Equity Shares of Rs.10/- each	4,00,000	4,00,000
1,000 Redeemable Preference Shares of Rs.100/- each (Non-Cumulative)	1,00,000	1,00,000
	<u>5,00,000</u>	<u>5,00,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
50 Equity Shares of Rs.10/- each	500	500
	<u>500</u>	<u>500</u>
(All the Share Capital of the Company is being held by its Holding Company namely Ludlow Jute & Specialites Limited - formerly Aekta Ltd.)		
<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Redemption Reserve	4,500	4,500
	<u>4,500</u>	<u>4,500</u>
<b>SCHEDULE 'C'</b>		
<b>CASH &amp; BANK BALANCE</b>		
Cash in Hand	—	695
Balance with Scheduled Banks in Current Account	18,351	18,982
	<u>18,351</u>	<u>19,677</u>
<b>SCHEDULE 'D'</b>		
<b>LOANS &amp; ADVANCES (Unsecured Considered Goods)</b>		
Advances (Recoverable in Cash or in kind or for value to be received)		
Tax Deducted at Source	—	61,156
Income Tax Refundable	—	684
	<u>—</u>	<u>61,840</u>

**SCHEDULES TO THE BALANCE SHEET**

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>SCHEDULE 'E'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) Current Liabilities</b>		
Sundry Creditors for Expenses	46,020	51,741
Advance from Holding Company	2,00,000	2,50,000
	<u>2,46,020</u>	<u>3,01,741</u>
<b>B) Provision</b>		
For Taxation	2,300	2,300
	<u>2,48,320</u>	<u>3,04,041</u>

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT**

	For the Year Ended 31.03.2009 Rs.	For the Year Ended 31.03.2008 Rs.
<b>SCHEDULE 'F'</b>		
<b>OTHER EXPENSES</b>		
Auditor's Remuneration		
Audit Fees	5,515	5,768
Rates & Taxes	2,500	4,470
Miscellaneous Expenses	695	—
Bank Charges (Inclusive of Interest Rs. 11/-)	2,462	589
	<u>11,172</u>	<u>10,827</u>

**SCHEDULE 'G'**

**NOTES ON ACCOUNT/ACCOUNTING POLICIES**

1. Significant Accounting Policies :

a) **Basis of Accounting**

The company follows the Mercantile system of Accounting.

b) **Taxation :**

Provision for Current Tax and Fringe Benefit Tax is being made based on the liabilities computed in accordance with the relevant tax laws. Provision for Deferred Tax is being made for the timing difference arising between taxable income and accounting income computed at the rates of tax enacted or substantively enacted as on Balance sheet date. Deferred Tax Assets are recognised only if there is a virtual certainty that they will be realised and are reviewed for appropriateness of their respective carrying values at each Balance Sheet date.

**SCHEDULES TO THE ACCOUNTS**

c) **Provision, Contingent Liabilities & Assets :**

Provisions involving substantial degree of estimations in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2. **Notes on Accounts :**

- a) The payment of Gratuity Act and other employees Benefits are not applicable to the Company.
- b) Other Information pursuant to Part-II of Schedule-VI of the Companies Act, 1956 NIL (NIL)
- c) As a matter of prudence and due to lack of virtual certainty supported by convincing evidence in support of subsequent realisation of deferred tax assets, deferred tax assets are not created for the financial year in the accordance with Accounting Standard (AS) 22 "Accounting for Taxes on Income" notified in the Companies (Accounting Standard) Rules, 2006.
- d) Previous year figures have been regrouped and/or recasted wherever necessary and have been indicated in brackets.
- e) There is no amount due as on 31.03.09 to be credited to Investor Education and Protection Fund.
- f) None of the supplier is Micro & Medium Enterprise under "Micro, Small and Medium Enterprise Development Act, 2006" hence disclosures relating to amounts unpaid etc are not applicable.
- g) Earning Per Share

	<b>2008-09</b>	<b>2007-08</b>
	<u>Rs.</u>	<u>Rs.</u>
Net Profit after tax available for Equity Shareholders	<b>(7,445)</b>	(10,827)
No. of Equity Shares	<b>50</b>	50
Basic/Diluted Earning Per Share	<b>(148.90)</b>	(216.54)

h) Related Party Disclosure in accordance with Accounting Standard 18 as notified in the Companies (Accounting Standards) Rules, 2006.

i) List of Related Parties

Sl. No.	Name	Relationship
01	Ludlow Jute & Specialities Limited	Holding Company

ii) Transaction with Related Parties

Maximum Amount Outstanding	Rs. 2,50,000	(Rs. 2,50,000)
*As identified by management.		

i) Disclosures as required by Accounting Standard '17' Segment Reporting as notified in the Companies (Accounting Standard) Rules, 2006 are not applicable to Company under present Activities.

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

**I. Registration Details**

Registration No.	21-37586	State Code	21
Balance Sheet Date	31.3.2009		

**II. Capital raised during the Year** (Amount in Rs. thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds** (Amount in Rs. thousands)

Total Liabilities	253	Total Assets	253
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**Sources of Funds**

Paid up Capital	0.5	Reserve & Surplus	4.5
Secured Loans	NIL	Unsecured Loans	NIL

**Application of Funds**

Net Fixed Assets	NIL	Investments	NIL
Net Current Assets	(230)	Miscellaneous Expenditure	NIL
Accumulated Loss	235		

**IV. Performance of the Company** (Amount in Rs. thousands)

Total Income	4	Total Expenditure	11
Profit/(Loss) before Tax	(7)	Profit/(Loss) after Tax	(7)
Earning Per Share (in Rs.)	(148.90)	Dividend Rate (%)	NIL

**V. Generic Names of Three Principal Products/Services of Company** (as per monetary term)

Item Code No. (I.T.C. Code)	N.A.	This Clause is not applicable to this Company
Product Description	N.A.	

For SALARPURIA JAJODIA &amp; CO.

Chartered Accountants

ANAND PRAKESH

Partner

Membership No. 56485

7, Chittaranjan Avenue

Kolkata - 700 072

The 20th day of June, 2009

For and on behalf of the Board

V. K. GANERIWAL

M. P. SANGANERIA

Directors

**DIRECTORS' REPORT  
TO THE SHAREHOLDERS**

Yours Directors have pleasure in presenting the 15th Annual Report along with the Audited Statement of Accounts of the Company for the year ended 31st March, 2009.

	2008-2009 (Rs.)	2007-2008 (Rs.)
<b>FINANCIAL RESULTS</b>		
Profit/(Loss) for the year	(16,206)	(18,123)
Less : Provision for Taxation	—	—
Profit/(Loss) after Tax	(16,206)	(18,123)
Add : Provision for Taxation no longer required	—	9,249
Add : Balance brought forward from last year	13,987	22,861
Balance carried forward	(2,219)	13,987

In view of carry forward losses, the directors regret that they are unable to recommend dividend for the year under review.

**OPERATIONS**

During the year, the Company did not undertake any export activities as like previous year, due to fierce competition from Bangladesh.

The net loss of the Company during the year was Rs. 16,206/- against a net loss of Rs. 18,123/- in the previous year.

**DIRECTORS**

Shri J. K. Bhagat, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

**COMPLIANCE CERTIFICATE**

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

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS**

The Company being a Merchant Exporter, the

provisions relating to conservation of energy and technology absorption are not applicable to the Company. The foreign exchange earnings during the year under review are as follows :

Earning : FOB value of Exports - Rs. NIL

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2009, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis;

**STATUTORY AUDITORS**

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

Registered Office :  
6, Little Russell Street  
Kolkata - 700 071.  
Dated : 20th day of June, 2009

For and on behalf of the Board

S. S. KANORIA  
Chairman

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

**Registration No. of the Company** : U65191WB1994PLC06540()  
**Nominal Capital** : Rs. 25 Lacs.

To  
The Members,  
**Ludlow Exports Limited**

I have examined the registers, records, books and papers of **Ludlow Exports Limited**, (the company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31 March, 2009 (financial year). In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, West Bengal within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met four times respectively on 20.06.2008, 18.09.2008, 17.12.2008 and 26.03.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 27th August, 2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra-ordinary General Meeting was held during the financial year
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of the contracts specified in that section.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificates during the financial year.
13.
  - i) There was no Allotment / transfer / transmission of securities during the financial year.
  - ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
  - iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternative directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director / Whole-time Director / Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

# Ludlow Exports Limited

19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the Financial year.
21. There was no redemption of preference shares or debentures during the financial year as the company has not issued any preference share or debenture till date.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The company has not made any borrowings during the financial year ended 31st March, 2009.
25. The Company has made loans and investments in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted the Provident Fund for its employees and therefore provisions of section 418 of the Act are not applicable.

Place : Kolkata  
Dated : 20th June, 2009

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

## ANNEXURE- "A" Registers as maintained by the Company

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

## ANNEXURE - "B" Forms and returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2009

Sl.No.	Form No./Return	Filed under Section	For	Date of filing	Whether filed within prescribed time yes/no
1	Form No.23AC & 23 ACA-Balance Sheet & Profit & Loss Account	220	31.03.2008	17.09.2008	YES
2	Form No.20B-Annual Return	159	27.08.2008	19.09.2008	YES
3	Form No.66-Compliance Certificate	383A	31.03.2008	17.09.2008	YES

**AUDITOR'S REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of **LUDLOW EXPORTS LIMITED**, as at 31st March, 2009, and also the annexed Profit & Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

appears from our examination of the books of account of the Company;

- (iii) the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account of the Company;
- (iv) in our opinion the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) based on the written representations made by the Directors of the Company and taken on record by the Board of Directors and the information and explanations given to us, we report that none of the directors is, as at 31st March, 2009, prima-facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India :
  - (a) in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2009 and
  - (b) in the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date.

407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated, the 20th day of June, 2009

For K. G. GARG & CO.  
Chartered Accountants

K. G. AGARWAL  
Proprietor  
Membership No. 011436



**ANNEXURE TO THE AUDITORS' REPORT**

**(REFERRED TO IN PARAGRAPH (2) OF OUR REPORT OF EVEN DATE)**

1. The Company has no fixed assets and as such the question of maintaining fixed assets register and physical verification and revaluation thereof does not arise.
2. During the year under audit, the Company did not have any stock in trade, hence the question of physical verification and maintenance of record of stock does not arise.
3. The Company has not granted any loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions during the financial year that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. The provisions relating to internal audit are not applicable to the Company.
8. The Company is not required to maintain cost records under Section 209 (I)(d) of the Companies Act, 1956.
9. As informed to us the Provident Fund and Employees State Insurance Act are not presently applicable to the Company. According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty and Excise Duty and Cess were outstanding, at the year end for a period of more than six months from the date they became payable.
10. In our opinion and according to the information and explanations given to us there are no disputed liabilities outstanding including Income Tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Custom Duty and Cess.
11. The Company has accumulated losses at the end of the financial year and it has incurred cash losses in the current financial year but the accumulated losses does not exceed the paid up capital of the Company.
12. The Company has not taken any loan from any financial institution, bank or debenture holders.
13. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/society.
15. The Company does not deal or trade in shares, securities, debentures and other investments.
16. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
17. The Company did not have any term loan during the year.
18. The Company did not have any outstanding borrowings during the year.
19. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not issued any debentures during the year.
21. The Company has not raised any money by public issue during the year.
22. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated, the 20th day of June, 2009

For K. G. GARG & CO.,  
Chartered Accountants

K. G. AGARWAL  
Proprietor  
Membership No. 011436

**BALANCE SHEET**

AS AT 31ST MARCH, 2009

	Schedule	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	'A'	25,00,000	25,00,000
<b>Reserves &amp; Surplus</b>			
Profit & Loss Account		—	13,987
		<u>25,00,000</u>	<u>25,13,987</u>
<b>APPLICATION OF FUNDS</b>			
<b>Current Assets, Loans &amp; Advances</b>			
Sundry Debtors	'B'	24,46,584	24,71,584
Cash & Bank Balances		53,632	44,941
Loans & Advances		3,080	3,080
		<u>25,03,296</u>	<u>25,19,605</u>
<b>Less : Current Liabilities and Provisions</b>			
Current Liabilities	'C'	5,515	5,618
		<u>5,515</u>	<u>5,618</u>
Net Current Assets		<u>24,97,781</u>	<u>25,13,987</u>
Miscellaneous Expenditure to the extent not written off			
Balance Loss as per Profit & Loss Account annexed		2,219	—
		<u>25,00,000</u>	<u>25,13,987</u>

Significant Accounting Policies & Notes on Accounts 'E'

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

As per our separate report attached.

For K. G. GARG & CO.  
Chartered Accountants  
K. G. AGARWAL  
Proprietor  
Membership No. 011436  
407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated : 20th June, 2009

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

**PROFIT & LOSS ACCOUNT**

FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Year ended 31.03.2009 (Rs.)	Year ended 31.03.2008 (Rs.)
<b>INCOME</b>			
Sales & other Income		—	—
		<u>—</u>	<u>—</u>
<b>EXPENDITURE</b>			
Purchases		—	—
Selling, Administrative & other expenses	'D'	16,206	18,123
		<u>16,206</u>	<u>18,123</u>
Profit/(Loss) before interest & tax		(16,206)	(18,123)
Less : Provision of Income Tax		—	—
Profit/(Loss) after Tax		<u>(16,206)</u>	<u>(18,123)</u>
Add : Provision for Taxation no longer required		—	9,249
Add : Balance brought forward from last Account		13,987	22,861
Balance Profit/(Loss) carried over to Balance Sheet		<u>(2,219)</u>	<u>13,987</u>
Significant Accounting Policies & Notes on Accounts 'E'			

**SCHEDULES TO THE BALANCE SHEET as at 31st March, 2009**

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,50,000 Equity Shares of Rs.10/- each	<u>25,00,000</u>	25,00,000
	<u>25,00,000</u>	<u>25,00,000</u>
<b>ISSUED</b>		
2,50,000 Equity Shares of Rs.10/- each	<u>25,00,000</u>	25,00,000
<b>SUBSCRIBED &amp; PAID UP</b>		
2,50,000 Equity Shares of Rs. 10/- each fully paid up in Cash (The entire 2,50,000 Equity Shares are held by holding Company)	<u>25,00,000</u>	25,00,000
	<u>25,00,000</u>	<u>25,00,000</u>
<b>SCHEDULE 'B'</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
Sundry Debtors (Unsecured considered good) Outstanding for more than six months (Outstanding from Holding Co.)	<u>24,46,584</u>	24,71,584
Other Debts	<u>—</u>	—
	<u>24,46,584</u>	<u>24,71,584</u>
<b>B. CASH &amp; BANK BALANCES</b>		
Cash-in-Hand (As per books & certified)	—	2,874
Balance With Scheduled Bank : In Current Account	<u>53,632</u>	42,067
	<u>53,632</u>	<u>44,941</u>
<b>C. LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
E.I.A. Deposit	<u>2,580</u>	2,580
Security Deposit	<u>500</u>	500
	<u>3,080</u>	<u>3,080</u>
<b>A + B + C</b>	<u>25,03,296</u>	<u>25,19,605</u>
<b>SCHEDULE 'C'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors	<u>5,515</u>	5,618
	<u>5,515</u>	<u>5,618</u>

**SCHEDULES TO THE PROFIT & LOSS ACCOUNT for the year ended 31st March, 2009**

For the Year ended 31st March, 2009  
(Rs.)

For the Year ended 31st March, 2008  
(Rs.)

**SCHEDULE 'D'**

**SELLING, ADMINISTRATIVE & OTHER EXPENSES**

Bank Charges	1,317	888
Rates & Taxes	4,350	2,970
Filing Fees	1,500	1,500
Miscellaneous Expenses	2,024	590
Auditors Remuneration	5,515	5,618
Tax Audit Fees	—	3,371
Professional charges	1,500	3,186
	<b>16,206</b>	<b>18,123</b>

**SCHEDULE 'E'**

**Significant Accounting Policies and Notes on Accounts**

**A. SIGNIFICANT ACCOUNTING POLICIES**

1. Revenue Recognition

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

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

**B. NOTES TO ACCOUNT**

1. Quantitative information in respect of Purchases, Sales and Stock

Class of Goods	Year	Opening Stock		Purchase		Sales		Closing Stock	
		Qty (MT)	Value Rs. Lacs	Qty (MT)	Value Rs. Lacs	Qty (MT)	Value Rs. Lacs	Qty (MT)	Value Rs. Lacs
Raw Jute	2008-2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Raw Jute	2007-2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

2. Foreign Currency Income & Expenditure

C.I.F. Value of Imports Raw Jute

Rs. Nil  
Rs. Nil

Signature to Schedule 'A' to 'E'

For K. G. GARG & CO.  
Chartered Accountants  
K. G. AGARWAL  
Proprietor  
Membership No. 011436  
407, Bentinck Chambers  
37A, Bentinck Street  
Kolkata - 700 069  
Dated : 20th June, 2009

For and on behalf of the Board

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

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

**I. REGISTRATION DETAILS**

Registration No.	65400
State Code	21
Balance Sheet Date	31st March, 2009

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. thousands)**

Public Issue	Nil
Right Issue	Nil
Private Placement	Nil
Bonus Issue	Nil

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. thousands)**

Total Liabilities	2,500
Total Assets	2,500

**SOURCES OF FUNDS**

Paid-up Capital	2,500
Reserves & Surplus	Nil
Secured Loans	Nil
Unsecured Loans	Nil

**APPLICATION OF FUNDS**

Net Fixed Assets	Nil
Investments	Nil
Net Current Assets	2,498
Miscellaneous Expenditure	Nil
Accumulated Losses	2

**IV. PERFORMANCE OF THE COMPANY (Amount in Rs. thousands)**

Turnover (Gross Revenue)	Nil
Total Expenditure	16
Profit/(Loss) before tax	(16)
Profit/(Loss) after tax	(16)
Earnings per Share (in Rs.)	(0.06)
Dividend Rate (%)	Nil

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

Item Code No. (I.T.C. Code)	N.A.
Product Description	N.A.

For and on behalf of the Board

D. K. BUBNA  
Director

S. S. KANORIA  
Director

Dated : 20th June, 2009

**BOOK-POST**

*If undelivered please return to :*

**LUDLOW JUTE & SPECIALITIES LIMITED**

(formerly Aekta Limited)

6, Little Russell Street

Kolkata - 700 071