

AI CHAMPDANY INDUSTRIES LIMITED

(A TRADING HOUSE, recognised by Govt. of India) (Established in 1873)

Pioneer Weaves & Spinners of Natural & Synthetic blended Fabrics & Yarns

CIN : L51909WB1917PLC002767

REGD. OFFICE :
25, PRINCEP STREET,
KOLKATA - 700 072, INDIA
Phone : 91 (33) 2237-7880-85
Fax : 91 (33) 2225 0221 /
2236 3754

G.P.O. Box No. 543,
Kolkata-700001
E-mail : cil@ho.champdany.co.in
Web : www.jute-world.com



Date: 19.07.2019

To
The Manager
Dept. of Corporate Services
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code : 532806
Dear Sir(s),

Sub: Annual Report for the Financial Year 2018-19

We enclose, herewith a copy of Annual Report of the Company for the financial year ended 31st March, 2019 together with the Notice dated 13th June, 2019 convening the One Hundred One (101st) Annual General Meeting of the Members of the Company is scheduled to be held on Tuesday, the 13th day of August, 2019 at 11.00 AM at the Auditorium of Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata – 700017, in terms of Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and record, kindly acknowledge the same.

Thanking you,

Yours faithfully,

For AI Champdany Industries Ltd

Pinku Sircar
Company Secretary

**ANNUAL
REPORT
2018 - 2019**

(ABRIDGED)

AI Champdany Industries Limited

AI Champdany Industries Limited

CIN: L51909WB1917PLC002767

CHAIRMAN EMERITUS
Mr. G J Wadhwa (Upto 17.12.2018)

BOARD OF DIRECTORS

Mr. D J Wadhwa Chairman (Upto 13.08.2018)
Dr. G Goswami, Chairman (From 14.08.2018)
Mr. Harbhajan Singh (Upto 13.08.2018)
Mr. S M Palia (Upto 13.08.2018)
Mr. B Wadhwa (Upto 09.03.2019)
Ms. Ramya Hariharan
Mr. N Pujara, Managing Director

CHIEF FINANCIAL OFFICER

Umesh Kumar Keshri (Upto 27.06.2018)
Mr. L Jha (From 02.07.2018)

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

Mr. B K Chowdhury (upto 11.05.2019)
Mr Pintu Singh (from 13.06.2019)

AUDITORS

G Basu & Co.
Chartered Accountants
FRN 301174 E

BANKERS

Bank of Baroda
Allahabad Bank
Bank of Maharashtra
IDBI Bank Ltd.

REGISTERED OFFICE

25, Princep Street
Kolkata-700 072

SHARE DEPARTMENT

25, Princep Street
Kolkata-700 072
Phone: 2237 7880/85
Fax: 033-2236 3754/033-2225 0221
E-mail: cil@ho.champdany.co.in
Website: www.jute-world.com

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WORKS

Wellington Jute Mill
9, G T Road
Rishra, Hooghly
West Bengal
Pin: 712 248

Fine Yarn Unit
1, West Ghosh Para Road
Jagatdal, 24, Parganas (N)
West Bengal
Pin: 743 125

Flax Unit
1, West Ghosh Para Road
Jagatdal, 24, Parganas (N)
West Bengal
Pin: 743 125

Yarn Unit
9, G T Road, Rishra
Hooghly
West Bengal
Pin: 712 248

Weaving Unit
39, Shalimar Road
Howrah (South)
West Bengal
Pin: 711 103

Libra Carpet & Yarn Unit
Choudwar
Cuttack
Odhisra
Pin: 754 025

Yarn Weaving Unit
Naity Road, Konnagar
Hooghly
West Bengal
Pin: 712 246

Weaving Unit
9, G T Road, Rishra
Hooghly
West Bengal
Pin: 712 248

AI Champdany Industries Limited

(CIN: L51909WB1917PLC002767)

Registered Office : 25, Princep Street, Kolkata – 700 072

Email : cil@ho.champdany.co.in, Website : www.jute-world.com

Phone : (033) 2237 7880 to 85 / 2225 1050 / 7924 / 8150 Fax: (91) (33) 22250221 / 22363754

NOTICE

Notice is hereby given that the One hundred oneth Annual General Meeting of the Members of the Company will be held on Tuesday, the 13th day of August 2019 at 11-00 A.M. at the Auditorium of Bharatiya Bhasha Parishad, 4th floor, 36A, Shakespeare Sarani, Kolkata 700 017 to transact the following businesses:

Ordinary Business:

(1) To consider and adopt:

(a) the audited financial Statement of the Company for the financial year ended 31st March, 2019, the report of the Board of Directors and Auditors thereon; and

(b) the audited consolidated financial Statement of the Company for the financial year ended 31st March, 2019.

Special Business:

(2) To Consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provision of Section 152 of the Companies Act, 2013 and pursuant to Regulation 17(1A) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 Mr. Damodardas Jerambhai Wadhwa (DIN: 00046180), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment be and is hereby appointed as the Director of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. N. Radhakrishnan & Co., Cost Accountants, being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2020, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office
25, Princep Street
Kolkata – 700072

Dated: 13th June 2019

By Order of the Board
Pintu Singh
Company Secretary

Important Notes:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF, 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 forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- b) The relative Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses under items 2 to 3 are annexed hereto.
- c) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative not less than 48 hours before the commencement of the meeting, to attend and vote on their behalf at the meeting.
- d) Members / Proxies are requested to bring their Attendance Slip enclosed herewith along with their copy of Annual Report to the meeting.
- e) 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.
- f) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
- g) As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (“Listing Regulations”) and Secretarial Standard 2 issued by The Institute of Company Secretaries of India brief resume of the Directors seeking appointment / re – appointment at the Annual General Meeting (AGM) are included in the statement pursuant to Section 102 (1) of the Companies Act, 2013 set out in the Notice convening this meeting. The Director have furnished the requisite consent / declarations for their appointment / re – appointment.
- h) The Notice of the 101st AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form and Copies of Annual Report for the financial year 2018-19 are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- i) The register of Members and the Share Transfer Book of the Company will remain closed from 7th August 2019 to 13th August 2019 (both days inclusive).
- j) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- k) The Company has entered into necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholdings in the Company for which they may contact the Depository Participants of either of the Depositories.
- l) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar and Share Transfer Agent of the Company of any change in their address or demise of any member as soon as possible at the following address :

M/s MCS Share Transfer Agent Ltd
383, Lake Gardens, 1st Floor, Kolkata – 700 045
Phone : 40724051-53, Fax: 40724054, Email: mcssta@rediffmail.com

Members are requested to address all correspondence, including dividend matters if any, to the aforesaid Share Transfer Agent of the Company. Members are advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

- m) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN / address proof to the Company / Registrar and Share Transfer Agent.
- n) As approved by the Shareholders, the company has sub divided the Equity Shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each with effect from September 19, 2008. Shareholders who have not yet surrendered old share certificates of face value of Rs. 10/- each, are requested to surrender the same to the Registrar and Share Transfer Agent to enable the Company to dispatch the new share certificates in lieu of old certificates.
- o) Members may also note that the Notice of the 101st AGM and the Annual Report for the financial year 2018-19 will be available on the Company's website, www.jute-world.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : aicilinvestors@gmail.com
- p) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to Registrar & Share Transfer Agent (i.e. MCS Share Transfer Agent Ltd.), for consolidation into a single folio.
- q) Non-Resident Indian Members are requested to inform M/s MCS Share Transfer Agent Ltd, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- r) **Members who have not registered their Email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc from the company electronically.**
Please provide your e-mail address mentioning the Company's name and Folio Number to our Registrar, M/s MCS Share Transfer Agent Ltd. , by post at their postal address 383, Lake Gardens, 1st Floor, Kolkata – 700 045 or by email at mcssta@rediffmail.com in case shares held in physical form.
- s) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. The nomination form can be downloaded from the company's website www.jute-world.com
- t) **Voting through electronic means:**
 - 1. In compliance with provisions of Section 108 of the Companies Act, 2013 and other applicable provisions of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 101st Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL)

2. The facility for voting through Ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. Members who have already cast their vote by remote e-voting prior to the 101st Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
4. The e-voting period commences on 10th August 2019 (9:00 AM) and ends on 12th August 2019 (5:00 PM). During this period shareholders of the Company holding shares either in physical form or in dematerialised form as on cut off date of 2nd August 2019, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
5. In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing electronic e-voting facility to exercise votes on the items of business given in this Notice at the 101st Annual General Meeting (AGM) through electronic voting system, to members whose names are recorded in the register of members or in the register of beneficial owners maintained by the depositories as on 2nd August 2019 being the Cut-Off date (Cut-Off date for the purpose of Rule 20(2)(ii) of the Companies (Management and Administration) Rules fixed for determining Voting Rights of Members, entitles to participate in the remote e-voting process, through the remote e-voting platform provided by NSDL.
6. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 2nd August 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 2nd August 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or mcssta@rediffmail.com or aicilinvestors@gmail.com
7. The process and manner for remote e-voting are as under:

How do you vote electronically using NSDL e-Voting system

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-into NSDL e-Voting website ?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
a) For Members who hold shares in demat account with NSDL.	<p>8 Character DP ID followed by 8 Digit Client ID</p> <p>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</p>
b) For Members who hold shares in demat account with CDSL.	<p>16 Digit Beneficiary ID</p> <p>For example if your Beneficiary ID is 12***** then your user ID is 12*****</p>
c) For Members holding shares in Physical Form.	<p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of AI Champdany Industries Limited for which you wish to cast your vote online from 10th August 2019 (9-00 A.M.) till 12th August 2019 (5-00 P.M.).
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to guptarinku123@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Information:

- I. Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- II. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. Mrs. Rinku Gupta, Company Secretary in whole-time practice CP NO.9248 (Membership No. FCS 9237) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutiner's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith
- IX. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.jute-world.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the BSE.
- X. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- XI. This Notice of the 101st Annual General Meeting along with the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 will be published in one Bengali Newspaper in circulation in Kolkata and in one English Newspaper having country-wide circulation.

INFORMATION AS REQUIRED IN PURSUANCE OF REGULATION 36(3) OF LISTING REGULATIONS IN RESPECT OF DIRECTORS BEING RE-APPOINTED/APPOINTED

Item No. 2

Re-Appointment of Mr. Damodardas Jerambhai Wadhwa

Brief Profile of Mr. Damodardas Jerambhai Wadhwa

DIN : 00046180

Date of Birth : 6th September 1937

Date of Appointment : 31st May, 2006

Expertise in specific functional areas : Industrialist with vast experience in Jute Industry and in Export Market.

Disclosure of relationship between directors inter se : Nil

Directorship in other Listed Companies: Nil

Membership/Chairmanship in Committees of other Listed Companies: Nil

Shareholding in the Company as on 31st March, 2019: Equity: 3834942 shares

Registered Office

25, Princep Street

Kolkata – 700 072

Dated: 13th June 2019

By Order of the Board

Pintu Singh

Company Secretary

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No.2

Pursuant to the provision of Section 152 of the Companies Act, 2013 Mr. Damodardas Jerambhai Wadhwa who retires by rotation at this Meeting and being eligible has offered himself for re-appointment. According to Circular No. SEBI/LAD-NRO/GN 2018-10 dated 09.05.2018, SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, as amended by SEBI (LODR) (Amendments) Regulation 2018 Clause 17(1A) stipulates that no listed entity shall appoint a person as a non executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect. Mr. D J Wadhwa attains the age of 81. Mr. Wadhwa is an Industrialist with vast experience in Jute Industry and in export market. The company is immensely benefitted from his guidance and advice.

The Board recommends a Special Resolution set out at item no. 2 in the notice for approval by the shareholders.

None of the Directors, key managerial personnel or their relatives in any way concerned or interested in this resolution except Mr D J Wadhwa.

Item No.3

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N. Radhakrishnan & Co., Cost Accountants (Firm Reg. No. 000056) as the Cost Auditors to conduct the audit of the Cost records of the company for the financial year ending 31st March, 2020 at a remuneration of Rs. 30000/- (i.e. Cost Audit Fees) plus applicable taxes and reimbursement of out of pocket expenses not exceeding Rs. 1000/- per annum.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors / Key Managerial Personnel (KMP) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice convening this meeting.

The Board recommends the Ordinary Resolution set out at Item No.3 of the Notice for approval by the shareholders.

Registered Office
25, Princep Street
Kolkata – 700 072
Dated: 13th June 2019

By Order of the Board
Pintu Singh
Company Secretary

AI CHAMPDANY INDUSTRIES LIMITED
DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors are pleased to present the Annual Report of your Company and the Company's Audited Financial Statements for the financial year ended 31st March 2019.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit before Finance Cost, Depreciation, and Tax	1564.98	1771.58
Finance Cost	1051.44	1151.40
Depreciation and Amortisation	388.18	409.45
Profit / (Loss) Before Tax	125.36	210.73
Provision for Tax:		
- Current Tax	66.97	77.23
- Income tax for earlier years	-	(59.27)
- Deferred Tax (Asset)	(112.90)	17.26
Profit / (Loss) After Tax	171.29	175.51
Other Comprehensive Income	(131.61)	(159.50)
Total Comprehensive Income	39.68	16.01

DIVIDEND

Your Directors do not recommend any dividend on Equity and Preference Shares in view of carry forward loss.

OPERATIONS

During the year Sales / Income from operation were Rs. 131.74 Crores compared to Rs. 127.82 Crores in the previous year. Export sales were at Rs. 28.90 Crore compared to Rs. 37.86 in the previous year. Production would have even been higher but for shortage of skilled workers the company had to curtail its production. Management discussions & Analysis Report is annexed with this report which gives more information on performance & prospects of the industry and your company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no change in the nature of business of the Company

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There is no such material event after the date of financial statements.

RISK MANAGEMENT FRAMEWORK

Your company has a Risk Management Framework approved by the Board of Directors. The Risk Management Framework provides the mechanism for risk assessment and its mitigation. The Risk Management framework which has been entrusted to CFO for implementation/administration is being periodically reviewed by the Audit Committee and the Board of Directors.

None of the risks, the company is exposed to as described in appropriate part of financial statements and Management Discussion and Analysis Report, appears significant enough from the standpoint of the existential risk.

DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN IN WORKPLACE

The Company has received no complaint from any women employee or other quarter during the year attracting punitive provisions of Sexual Harassment of Women in Workplace (Prevention Prohibition & Redressal) Act, 2013.

PARTICULARS OF EMPLOYEES

There was no employee in receipt of remuneration exceeding the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CHANGES IN THE PAID UP EQUITY CAPITAL

There has been no change in paid up Equity Capital of the company during the year under review.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company as on the date of this report.

1. Mr. Nirmal Pujara, Managing Director (reappointed w.e.f. 01.01.18 for a period of 5 years at the Annual General Meeting held on 21.09.2017).
2. Mr. Lalanjee Jha, Chief Financial Officer (w.e.f. 02.07.2018 in place of Mr. Umesh Kumar Keshri resigned w.e.f. 28.06.2018).
3. Mr. Pintu Singh, Company Secretary (w.e.f. 13.06.2019 in place of Mr. Binod Kumar Chowdhury resigned w.e.f. 12.05.2019).

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Under Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are set out in a separate statement attached to this report and forms part of it.

DIRECTORS

CHAIRMAN EMERITUS

Mr. G J Wadhwa left for his heavenly abode on 18/12/2018 on attaining the age of 93 years. He was instrumental in taking over "The Champdany Industries Ltd" from James Finlay & Co in the year 1967 and was reckoned as father of inventing and pioneering value added diversified jute products in the country aimed at Export Market. Under his Leadership the company emerged as the largest manufacturer and exporter of jute goods from India and this achievement was also recognized by the Ministry of Textiles, Government of India by way of awarding top manufacturer and exporter award to the company for several years. The Boards records it deep condolence & high appreciation for the invaluable contributions made by Mr. G J Wadhwa in the growth of the Company.

Mr. Bhushan Wadhwa left for his heavenly abode on 10.03.2019 on attaining the age of 65 years. He was on the Board for more than 25 years. The Board records its deep condolence & valuable services rendered by Shri Bhushan Wadhwa.

In accordance with the provisions of Section 152 of the Companies Act 2013 and Articles of Association of the Company, Mr. D J Wadhwa, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment. The Board recommends his reappointment for approval of the members. The brief profile of Mr. Wadhwa is given in the Notice convening the Annual General Meeting. As per 17(1) (a) of SEBI regulation (LODR) Regulation 2015 and a special resolution is required to be passed for his reappointment in view of his having attained the age of more than 75 years. Accordingly, a special resolution is proposed in the AGM Notice.

The tenure of Mr. S.M. Palia & Mr. Harbhajan Singh, Independent Directors ended at the last AGM on 13.08.2018 after completion of 2 consecutive terms. The Board placed on record its sincere appreciation for the services and valuable guidance received from Mr. Palia & Mr. Singh during their long tenure as members of the Board & wishes them good health in retired life.

DISCLOSURES ON MANAGERIAL REMUNERATION

Details of Managerial Remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure I of this Report.

STATUTORY AUDITORS

M/s G Basu & Co., Chartered Accountants (ICAI FRN 301174E) has been appointed as the Statutory Auditors of the

Company for a term upto the conclusion of Annual General Meeting to be held in the year 2022 by the Members in the 99th Annual General Meeting held on 21st September 2017.

COST AUDITORS

M/s N Radhakrishnan & Co, Cost Accountants has been appointed as Cost Auditor for auditing the cost accounts of the Company for the year ended 31st March 2020 by the Board of Directors. The remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to the Cost Auditor is being sought at the ensuing Annual General Meeting.

M/s N. Radhakrishnan & Co., Cost Accountants, has given his consent to act as Cost Auditor of the Company confirming that his appointment is within the limits of Section 139 and certified that he is free from any disqualifications specified under Section 148(5) and all other applicable provisions of the Companies Act, 2013.

The Cost Audit Report for the year 2017-18 has been filed with the Ministry of Corporate Affairs on 29th October 2018 as against due date of 13th October, 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation received from the day to day operating management, your Directors make the following statements pursuant to Sub-Section (5) of Section 134 of the Companies Act, 2013:

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 of the Company for that period;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2019, on a going concern basis;
- e) that the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and;
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;

EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT-9 is annexed as **Annexure II**.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by M/s K. Arun & Co., Company Secretaries, is enclosed as part of this report as **Annexure III**.

EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE STATUTORY AUDITOR IN HIS REPORT, BY THE COMPANY SECRETARY IN PRACTICE IN HIS SECRETARIAL AUDIT REPORT AND BY THE COST AUDITOR IN HIS COST AUDIT REPORT

There is no qualification either by the Statutory Auditors or by Secretarial Auditors or by the Cost Auditor hence no explanation or comments by the Board is applicable on this account.

MEETINGS OF THE BOARD

Eight Meetings of the Board of Directors were held during the year. For further details please refer to report on Corporate Governance annexed in this Annual Report.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with section 129(3) of Companies Act 2013 and IND AS-103/110, the Consolidated Financial Statements are provided in the Annual Report.

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a company's subsidiary i.e. Champdany Construction Ltd is presented in a separate section in Form AOC 1 as Annexure IV.

LISTING WITH THE STOCK EXCHANGES

The Company's shares are listed on the BSE Ltd. (BSE) and annual listing fees for financial year 2019-20 has been paid to the BSE. Company's Equity shares has been delisted from the National Stock Exchange of India Limited with effect from 17th October 2018 to save annual listing fee and other compliance cost. However, the company's Equity share continues to remain listed in the BSE Ltd which is also a nationwide Stock Exchange with wide trading terminals.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

No significant & Material Orders relating to settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc. were passed by the Regulators for or against the Company during the financial year ended 31st March 2019.

MATERIAL CHANGES AND COMMITMENTS

There is no material changes and commitments during the year.

INTERNAL FINANCIAL CONTROL SYSTEM WITH REFERENCE TO THE FINANCIAL STATEMENTS AND ITS ADEQUACY

The Company has Internal Financial Control system with reference to financial statements commensurate with the size, scale and complexity of its operations. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources, which has been broadened / enlarged from last year to cater to the exigencies of IND AS applicable to the company from the last year enjoining massive paraphernalia in the sphere of disclosure requirements and accounting treatments, the latter laying greater emphasis on economic substance of accounts in departure from historic basis of accounts under erstwhile traditional GAAP.

The internal Auditors continuously monitor the efficacy of Internal Financial Control system with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the Company's risk management with regard to inter alia, Internal financial Control system with reference to the financial statements.

The Audit Committee meets regularly to review reports submitted by the Internal Auditors. The Audit Committee also meet the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies and procedures followed by the Company under revised dispensation.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT 2013

Those are duly addressed in Note No. 40 of Standalone financial statements.

PARTICULARS OF CONTRACTS, ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES

During the financial year, the Company had not entered into any contract / arrangement / transactions with related parties which are materially significant.

All contracts/transactions/arrangements entered by the Company with Related parties during the financial year were in the ordinary course of business and on arm's length basis and the provisions of Section 188 are not attracted, which have been duly disclosed in Note No. 33 of financial statements.

PREVENTION OF INSIDER'S TRADING

In terms of provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and its subsequent Amendments in 2008, 2015 and 2019, the Company has adopted a model Code of Conduct for prevention of Insider Trading in the shares and securities of the Company. The Code, inter alia, prohibits purchase, sale of the shares of the Company by the Directors, Officers and Designated Employees while in possession of the unpublished price sensitive information in relation to the Company. The Company Secretary is the Compliance Officer for the purpose of these Regulations.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and Analysis Report for the year under review as stipulated under Regulation 34 of the Listing Regulations is presented in a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as prescribed by SEBI. The Corporate Governance Report and a Certificate from the Auditors of the Company certifying compliance with the conditions of Corporate Governance are attached hereto and form part of the Directors' Report.

ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

INDUSTRIAL RELATIONS

Industrial Relations in all units and branches of the Company remained generally cordial and peaceful throughout the year, except Units under suspension of work, etc. as mentioned in Management Discussion & Analysis Report annexed herewith.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their appreciation of the continuous support, encouragement and co-operation received from the Company's bankers, the Government of West Bengal, customers, employees, shareholders and other business associates.

Place: Kolkata

Dated: 13th June 2019

On Behalf of the Board }
G Goswami } Directors
N.Pujara }

MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FY 2018-19

A. Industry Structure and Development:

During the year under review demand for 'B' Twill bags from the Government Procurement Agencies continued to be good, in fact Jute Industry could not fulfil the demand on several occasions as per the delivery schedule mainly because of bunching of orders by the Procurement Agencies and lower capacity utilisation resulting from shortage of manpower. It is therefore imperative that the Industry body as well as Procurement Agencies should work out a suitable production / supply plan so that in future placement of orders by the Procurement Agencies are reasonably spread throughout the year instead of bunching at a particular time and manufacturing mills could plan their production accordingly so that such complaint can be minimised. Availability of skilled manpower also needs to be augmented by devising some incentive and training scheme in consultation with the Government otherwise production will continue to suffer & Industry may lose its market share in future to alternate products. In the month of October '18 antidumping duty was imposed by the Government of India on import of flax yarn from China so as to provide a level playing field to the domestic manufacturers and also to encourage "make-in-India" programme initiated by the Government. This move of the Government greatly helped the domestic flax yarn industry i.e. creating higher demand for the domestic flax yarn as well as improving the price realisation. Your Company's flax yarn manufacturing Unit located at Jagatdal, 24 Parganas, West Bengal is also getting benefitted from the above move and the company is now focusing on increasing the production at the unit by renovating the existing equipments and/or installing balancing machineries & changing the product mix as per market scenario.

B. Opportunities/Threats, Risks & Concerns:

◆ Opportunities

- i) Demand for 'B' Twill bags from the Government Agencies for packaging of food grains is estimated to be strong as such there is an opportunity for the Jute Industry to enhance the production as much as possible & fulfil the demand.
- ii) All over the Country, State Governments are discouraging / banning use of plastic which is an environmental hazard. Accordingly, there is a tremendous scope for the Jute Industry to make in-roads in the newer area of Jute products uses replacing plastics and this will not only help the Industry in widening its market but also provide better margins on such value added products.
- iii) Demand for flax yarn is continuously rising in the country because of its suitability to the Indian climatic condition and more and more sophisticated and fashionable linen items are made out of flax yarn such as shirts, kurtas, sarees, ladies dresses, furnishing materials etc and after antidumping duty on the Chinese flax yarn, operating environment for flax yarn manufacturing has improved considerably and your Company is exploring all possibilities to cater to such rising demand.

◆ Threats / Risks and Concerns

- i) Jute Industry is continuously facing shortage of skilled manpower thereby adversely affecting the production despite good demand from the Government Agencies. Therefore, Industry body as well as State / Central Government have to sincerely work for training of workers which is extremely essential for long-term survival of the Industry.
- ii) Continuation of compulsory Jute packaging order for food grains which is extended every year is imperative at this stage.
- iii) Because of poor flax crop in the main producing Countries such as France & Belgium, availability of the flax fibres is scarce and the prices have also increased substantially. For smooth functioning of flax yarn manufacturing, fibre availability is a very important factor which is dependent on new crop in the above producing Countries.

C. Outlook:

So far weather conditions for growth of jute crop has been favourable and barring natural vagaries it is expected that ensuing jute crop should be better than previous year and with reasonable carry forward stock from previous year, going forward prices of raw jute should soften. Demand for 'B' Twill jute bags for packaging of food grains

by the Government Procurement Agencies continues to be good and as per present indications it should remain good throughout the year.

Your flax yarn unit located at Jagatdal, District 24 Parganas, West Bengal is expected to see good performance in the current year as demand for flax (linen) products is growing steadily in the domestic market with operating cycle for the flax (linen) industry turning favourable. At the moment, only thing to be watched for Flax Industry is availability of fibre which is mainly imported from Belgium and France where next crop is expected to be bumper in view of record high prices realised by farmers for previous crop. Your company is putting maximum focus on increasing the production of flax yarn at its Jagatdal Unit by refurbishing the existing equipment as well as adding balancing machineries wherever required.

With the formation of stable Government at the Center there is a high expectation that foreign inflow of funds in the Country will accelerate in the coming years which will result in all round economic development in the Country. As per the recent report of the World Bank, India is likely to emerge as fastest growing economy in the world in the next 3 years even outpacing China. This augurs well for the entire economy which will create demand for all kind of resources including real estate / land parcels etc. Your company having sizable non-core land parcels built over last more than 3 decades and has been looking for monetization of these assets for last few years but could not do so due to sluggish real estate market can now look forward with optimism to monetize some of these prime assets which will help the company in reducing its interest cost substantially.

D. Internal Control System & Adequacy:

The Company has a proper internal control system in place across all its operations. Internal audit work has been assigned to a professional firm of Chartered Accountants who have expressed satisfaction about the adequacy of internal control systems and procedures followed by the Company. The Audit Committee reviews the observations of the internal auditors and implementation aspects on a regular basis.

E. Financial & Operating Performance:

Sales / Income from operation was to Rs. 131.74 Crores compared to Rs. Rs.127.82 Crores in the previous year. Production and efficiency at Wellington Jute Mill and Yarn & Weaving unit located at Rishra continues to be low, also adversely affected by shortage of skilled manpower. As part of the restructuring exercise, the company entered into a MOU with a prospective buyer for sale of Wellington Jute Mill and Yarn & Weaving unit located at Rishra but the transaction could not proceed due to non-payment of next instalment by the buyer as per the terms of MOU and accordingly the MOU had to be terminated and matter is under arbitration. After the above transaction which could not fructify, the company is trying to revive the operations at the above units and in this process appointed a senior long experienced executive of Jute Mill administration as Group President and efforts are continuing for improvement of operations. Besides, all feasible options are being evaluated as part of restructuring exercise including monetization of some of the non-core assets as explained here in above so as to streamline the operations of the company.

F. Material Development in Human Resources/Industrial Relations Front:

The Company continues to rationalize its workforce and put emphasis on providing quality training under the Company's programme.

Yarn Unit and Libra Carpet Unit located at Choudwar, District Cuttack, Odisha, Weaving Unit at Rishra, Yarn and Weaving Unit at Konnagar continued to be under suspension of work.

G. Cautionary Statements:

Certain statements in this report may be construed as forward looking statements which have been made as required by laws and regulations, as applicable. There are several factors, which would be beyond the control of management and as such, may affect the actual results, which could be different from that envisaged.

AI CHAMPDANY INDUSTRIES LIMITED

Annexure to the Directors' Report

Information as per Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019.

A. CONSERVATION OF ENERGY

The Company continues its efforts to conserve energy and has taken the following steps on ongoing basis:

- a. Replacement of Conventional Fluorescent Lamps with Light Emitting Diode (LED) type lamp fittings.
- b. Replacing in phased manner High Power Sodium Vapour lamps fittings by Metal Halide Lamp fittings and good quality copper ballast.
- c. Mounting of spinning motors outside machine frame to reduce power consumption, ball bearing and grease consumption and reduction of breakdown and dire hazard as well as increase in the productivity. Power factor already improved from 95% to 99% to get more rebate in power bill.
- d. Putting variable frequency with driving looms.
- e. Taking care for maximum utilization of energy and to reduce the energy consumption, capacitors have been installed in every department to improve power factor and always try to maintain it to 99% to reduce losses. All motors, electrical & electronic equipments and machine parts are regularly checked and maintained to reduce losses.
- f. Regular checking and maintenance of Steam pipe lines, valves, steam traps to reduce the loss of steam and finally consumption of fuel in the Boiler.

Continuous monitoring of system voltage and power factor to minimize losses, follow rigid routine preventive / proactive maintenance schedule of machine, use of energy efficient motors, elimination of idle / under loading of machines.

Constant efforts are being made to identify new technologies to improve the working of the plants for reduction in consumption of energy and cost of production.

“FORM A”

	Current year	Previous year
a) POWER AND FUEL CONSUMPTION		
i) ELECTRICITY		
a) Purchased Units (KWH)	8243308	9885514
Total Amount (Rs. in lacs)	692.38	836.78
Rate / Unit (Rs.)	8.40	8.46
b) Own Generation through Diesel Generator (Units)	-	-
Units per litre of Oil	-	-
Cost / Unit (Rs.)	-	-
ii) COAL		
(B grade used for generation of steam in boiler)		
Quantity (M. Ton.)	-	-
Total Cost (Rs. in lacs)	-	-
Average Rate (Rs.)	-	-
b) CONSUMPTION PER UNIT OF PRODUCTION		
<u>Electricity (KWH/MT)</u>		
Jute/Jute diversified Products and Services	767	738
Flax Products	4910	4120
<u>Coal per ton of Production (M. Ton)</u>		
Jute/Jute diversified Products & Services		-
Flax Products		-
<u>Production</u>		
Jute & Jute Diversified Products (M. Ton.)	9978	12370
Flax Product (M. Ton.)	120	184

“FORM B”

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

R&D Projects are being pursued in house & in conjunction with IJIRA/Jute Board for development of value added items having combinations of jute blended with other natural and manmade fibre and improvement of end products including linen yarn.

BENEFITS DERIVED AS A RESULTS OF THE ABOVE R&D AND FUTURE PLAN OF ACTION:

Technology absorption, adaptation and innovation –

- a) By taking out Motor from Machine to outside Energy saving is 20 units per day per frame.
- b) Motor will remain cool, comparatively clean, wear & tear of Motor will be decreased and most important fire hazards will be eliminated.
- c) Consumption of Bearing will be reduced considerably for spinning section.
- d) By using armoured cable on Spinning Machine Main line fire hazard and line losses will be minimized.

Benefits are expected to accrue in terms of value addition, cost optimization, better turnaround improvement of quality and serviceability.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, EFFORTS IN BRIEF MADE TOWARDS TECHNOLOGY ABSORPTION AND INNOVATION:

Continued assistance being sought for technology transfers and up-gradation from developed countries for perpetual improvement of existing products and developments of newer products. The Company had adopted technology of fine yarn and soil saver; further improvements are anticipated in development of HCF Food Grade jute products.

EXPENDITURE ON R&D:

In accordance with the Company's consistent practice, expenditure on R&D activities remains merged with various heads of account.

DETAILS OF IMPORTED TECHNOLOGY:

No technology has been imported during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans:

The Company has taken several initiatives for development of new products by way of diversification of product folio and cost reduction for export market.

Total foreign exchange used and earned (Rs. in lacs)	Current Year	Previous Year
Used:	800.38	1891.90
Earned:	2889.75	3785.86

Place: Kolkata

Dated: 13th June 2019

On Behalf of the Board
G Goswami }
N. Pujara } Directors

DISCLOSURE ON MANAGERIAL REMUNERATION

Details of Remuneration as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31st March, 2019:

Name	Designation	Remuneration / sitting fee of Directors' to Median Employees' Remuneration (times)
Dr. G Goswami	Independent	2.95
Mr. D J Wadhwa	Non-Executive	1.68
Ms. Ramya Hariharan	Independent	2.53
Mr. Bhushan Wadhwa	Non-Executive (upto 09.03.2019)	1.47
Mr. S M Palia	Independent (upto 13.08.2018)	0.84
Mr. Harbhajan Singh	Independent (upto 13.08.2018)	0.84
Mr. N Pujara	Managing Director	54.55

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Company Secretary or Manager in the financial year ended 31st March, 2019 is as follows:

Name	Designation	Percentage Increase in Remuneration/sitting fees
Mr. D J Wadhwa	Non-Executive	33.33 *
Mr. Bhushan Wadhwa	Non-Executive (upto 09.03.2019)	6.06**
Mr. S M Palia	Independent (upto 13.08.2018)	Nil
Mr. Harbhajan Singh	Independent (upto 13.08.2018)	Nil
Dr. G Goswami	Independent	9.38 ***
Ms. Ramya Hariharan	Independent	200.00 ****
Mr. N Pujara	Managing Director	35.85*****
Mr. B K Chowdhury	Company Secretary (upto 11.05.2019)	Nil
Mr. U K Keshri	Chief Financial Officer (upto 27.06.2018)	Nil
Mr L Jha	Chief Financial Officer (from 02.07.2018)	Nil

*The increase in sitting fees is due to 8 meetings of Board of Directors attended in 2018-19 as against 6 meetings in 2017-18.

** The increase in sitting fee is due to 7 meetings of Board attended in 2018-19 as against 6 meetings in 2017-18 and attended 1 meeting of Stakeholder Relationship Committee in 2017-18.

*** The increase in sitting fee is due to 8 meetings of Board of Directors and 6 meetings of Audit Committee against 6 meetings of the Board and 5 meetings of the Audit Committee and 2 meetings of Nomination and Remuneration Committee and 1 meeting of Stakeholder Relationship Committee attended during 2017-18.

****The increase in sitting fees is due to 7 meetings of Board and 5 meetings of Audit Committee attended in 2018-19 as against 2 meetings each of the Board and Audit Committee attended in 2017-18.

***** The increase in remuneration due to revised remuneration approved by shareholders for his reappointment as managing director for a period of 5 years effective January 1 2018.

- c) The number of permanent employees on the rolls of the company is 3374.
- d) The details of variations in the market capitalization of the Company, Price Earnings Ratio at the closing date of the current financial year and previous financial year are as follows:
The Market Capitalization of the company as per BSE quotation decreased by 58.02% from Rs. 10394.79 lacs as at March 31, 2018 to Rs.4363.97 lacs as at March 31, 2019. The Price Earnings Ratio as at March 31, 2019 was 23.00 as compared to the Price Earnings Ratio as at March 31, 2018 was 50.87.
In the year 2009-10 the company came out with an issue of fully paid 2% Preference Shares of the face value of Rs. 5 each at par to existing equity shareholders of the Company on Rights Basis in ratio of 1 share for every 1 share held on record date. The total issue at a price of Rs.5 each aggregated to Rs 6, 20, 91,965/-.
The equity shares of the Company closed at Rs. 14.19 on BSE Limited on March 31, 2019 representing a decrease of 58.02% since the last financial year.
- e) No variable component in any form was availed by the directors during the financial year ended March 31, 2019.
- f) No employee has received remuneration higher than the highest paid director during the financial year ended March 31, 2019.
- g) It is hereby affirmed that the remuneration paid during the year ended March 31, 2019 is as per the Remuneration Policy of the Company.

ANNEXURE II
FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN:- **L51909WB1917PLC002767**
- (ii) Registration Date: **02.01.1917**
- (iii) Name of the Company: **AI Champdany Industries Limited**
- (iv) Category / Sub-Category of the Company: **Public Company/Limited by Shares**
- (v) Address of the Registered office and contact details: **25, Princep Street, Kolkata- 700072; Phone: 22377880**
- (vi) Whether listed company : **Yes**
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: **MCS Share Transfer Agent Ltd, 383, Lake Gardens, 1st floor, Kolkata- 700 045, Phone: 40724051**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	SACKING	63051040	46.36
2	HESSIAN	63051030	33.54

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Champdany Constructions Ltd 33,C R Avenue, Kolkata-700 012	U17232WB1993PLC061248	Subsidiary	82%	2(87)(ii)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1865354	-	1865354	6.0654	1865354	-	1865354	6.0654	-
b) Central Government-	-	-	-	-	-	-	-	-	-
c) State Government(s) -	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	14275496	-	14275496	46.4186	14275496	-	14275496	46.4186	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Trusts	1971804	-	1971804	6.4116	1971804	-	1971804	6.4116	-
Sub-total(A) (1)	18112654	-	18112654	58.8956	18112654	-	18112654	58.8956	-
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A) (1) + (A) (2)	18112654	-	18112654	58.8956	18112654	-	18112654	58.8956	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	134255	2565770	2700025	8.7795	106812	2565770	2672582	8.6903	-0.0892
c) Central Government	60	-	60	0.0002	60	-	60	0.0002	-
d) State Government(s)	-	704	704	0.0023	-	704	704	0.0023	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	1332	1332	0.0043	-	1332	1332	0.0043	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	134315	2567806	2702121	8.7863	106872	2567806	2674678	8.6971	-0.0892
2. Non-Institutions									
(a) Bodies Corporate.									
(i) Indian	122441	409150	531591	1.7285	114698	405916	520614	1.6929	-0.0356
(ii) Overseas	-	8533332	8533332	27.7472	-	8533332	8533332	27.7472	-
(b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	485552	166014	651566	2.1187	523062	165826	688888	2.2400	+0.1213
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	222557	-	222557	0.7237	223655	-	223655	0.7272	+0.0035
c) Trust	10	-	10	0.0000	10	-	10	0.0000	-
Sub-total (B)(2)	830560	9108496	9939056	32.3181	861425	915074	9966499	32.4073	+0.0892
Total Public Shareholding (B)=(B)(1)+(B)(2)	964875	11676302	12641177	41.1044	968297	11672880	12641177	41.1044	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19077529	11676302	30753831	100.0000	19080951	11672880	30753831	100.0000	

(ii) Shareholding of Promoters

shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in share holding during the year
Rishra Investments Ltd	4948832	16.0918	-	4948832	16.0918	-	-
Shibir India Limited	4062595	13.2100	-	4062595	13.2100	-	-
Amar Investments Ltd.	3656619	11.8900	-	3656619	11.8900	-	-
Damodardas Jerambhai Wadhwa	2645642	8.6026	-	38349242	12.4698	-	-
Gordhandas Jerambhai Wadhwa	1189300	3.8672	-	-	-	-	-
Coopers Wealth Advisors Ltd.	500000	1.6258	-	500000	1.6258	-	-
G Jerambhai Exports Ltd.	550924	1.7914	-	550924	1.7914	-	-
Gunny Dealers Ltd.	203706	0.6624	-	203706	0.6624	-	-
Gojer Brothers Pvt. Ltd.	121332	0.3945	-	121332	0.3945	-	-
Coopers Housing Estates Pvt. Ltd.	106666	0.3468	-	106666	0.3468	-	-
McGregor & Balfour (India) Ltd.	106666	0.3468	-	106666	0.3468	-	-
Libra Transport Ltd.	14932	0.0486	-	14932	0.0486	-	-
National Electronics Pvt. Ltd.	3200	0.0104	-	3200	0.0104	-	-
Bhushan Wadhwa	-	-	-	-	-	-	-
Jyoti B Wadhwa	2216	0.0072	-	2216	0.0072	-	-
Coopers Capital Markets Ltd.	24	0.0001	-	24	0.0001	-	-
Total	18112654	58.8956	-	18112654	58.8956	-	-

(iii) Change in promoters Shareholding

	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
April 01, 2018	18112654	58.8956	18112654	58.8956
June 30, 2018	-	-	-	-
September 30, 2018	-	-	-	-
December 31, 2018	-	-	-	-
March 31, 2019	-	-	-	-
March 31, 2018	18112654	58.8956	18112654	58.8956

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters)

	No. of Shares held at the beginning of the year		No. of Shares held at the end of the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Aldgate International SA	4266666	13.8736	4266666	13.8736
Blancatex AG	4266666	13.8736	4266666	13.8736
Canara Bank	1949332	6.3385	1949332	6.3385
Bank of India	483530	1.5723	483530	1.5723
Bank of Baroda	233568	0.7595	233568	0.7595
Upkar Distributers Pvt. Ltd.	213332	0.6937	213332	0.6937
Harsha Hitesh Javeri	104457	0.3397	105655	0.3436
Apson Sales Promotion Pvt Ltd	93332	0.3035	93332	0.3035
Frank Jute Impex Pvt. Ltd.	93332	0.3035	93332	0.3035
Hitesh Ramji Javeri	70000	0.2276	70000	0.2276

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		No. of Shares held at the beginning of the year		No. of Shares held at the end of the year	
		No. of Equity Shares	% of total Shares of the company	No. of Equity Shares	% of total Shares of the company
1	Mr. D J Wadhwa	2645642	8.6026	3834942	12.4698
2	Mr. N Pujara	3400	0.0111	3400	0.0111
3	Mr. S M Palia (Tenure as Director ended on 13.08.2018)	266	0.0009	266	0.0009

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding / accrued but not due for payment****In Rs.**

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	739383368	587660279	-	1327043647
(ii) Interest disputed	-	2901242	-	2901242
(iii) Interest accrued but not due	2564558	-	-	2564558
Total (i+ii+iii)	741947926	590561521	-	1332509447
Change in indebtedness during the financial year				
• Addition	89029642	44204806	-	133234448
• Reduction	-	-	-	-
Net Change	89029642	44204806	-	133234448
Indebtedness at the end of the financial year				
(i) Principal Amount	826404834	631865085	-	1458269919
(ii) Interest disputed	-	2901242	-	2901242
(iii) Interest accrued but not due	4572734	-	-	4572734
Total (i+ii+iii)	830977568	634766327	-	1465743895

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A, Remuneration to Managing Director, Whole-time Directors and/or Manager:

	Particulars of Remuneration	Name of the Managing Director
		Mr. Nirmal Pujara
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	64,80,000
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission as % of profit others, specify...	- - -
5	Others, please specify Total (A)	64,80,000
	Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors				
	Mr. S M Palia*	Dr. G Goswami	Mr. H B Singh*	Ms R Hariharan	Total
Independent Directors					
• Fee for attending board / committee meeting	1,00,000	3,50,000	1,00,000	3,00,000	8,50,000
• Commission	-	-	-	-	-
• Others, please specify	-	-	-	-	-
Total (1)	1,00,000	3,50,000	1,00,000	3,00,000	8,50,000
Other Non-Executive Directors	Mr. D J Wadhwa	Mr. B Wadhwa			
• Fee for attending board / committee meeting	2,00,000	1,75,000			3,75,000
• Commission	-	-			-
• Others, please specify	-	-			-
Total (2)	2,00,000	1,75,000			3,75,000
Total (B)=(1+2)					12,25,000
	Total Managerial Remuneration				12,25,000
Overall Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013				

* Tenure of Directorship ended on 13.08.2018.

C. Remuneration to key managerial personnel other than managing director/ manager/ whole time director

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO*	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	4,76,129	11,83,294	16,59,423
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit others, specify...	-	-	-
5	Others, please specify...	-	-	-
	Total	4,76,129	11,83,294	16,59,423

* CFO Remuneration includes of Rs. 2,86,520/- of Mr. Umesh Kumar Keshri, Chief Financial Officer resigned w.e.f 28.06.2018.

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

SECRETARIAL AUDIT REPORT

ANNEXURE III

FOR THE FINANCIAL YEAR ENDED 31st Day of March, 2019

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

To,
The Members,
AI Champdany Industries Limited
CIN: L51909WB1917PLC002767

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AI Champdany Industries Limited (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31 March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 2015.
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- V. The company operates in the Jute Industry and compliances are made with the applicable regulatory authorities and the guidelines laid down by them.

We have also examined compliance with the applicable clauses of the following:

- i. The Uniform Listing Agreements entered into by the Company with BSE Limited.
- ii. The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.
- iii. The Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director, Independent Director and a Woman Director. There have been no changes in the composition of the Board of Directors during the period under review.

Adequate Notice is given to all Directors to schedule the Board / Committee Meetings. Information and circulation of Agenda with detailed information thereof, convening of meetings was done in compliance with the applicable laws, rules, regulation and guidelines, etc. A system exists for seeking and obtaining further information and clarifications

on the agenda items before the meeting and for meaningful participation at the meetings.

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

We further report that during the period under view Mr Lalanjee Jha has been appointed as Chief Financial Officer with effect from 2nd day of July 2018 of the company. Further the company has delisted its securities from The National Stock Exchange of India Ltd with effect from 17 October 2018.

Place : **Kolkata**
Date : **03.05.2019**

For K. Arun & Co
Company Secretaries

Arun Kumar Khandelia
Partner
FCS 3829
C.P. No.: 2270

ANNEXURE IV

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts)

1. Sl. No.	:	1
2. Name of the subsidiary	:	Champdany Constructions Ltd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	:	Not Applicable
4. Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	:	Not Applicable
5. Share Capital	:	Rs. 810.20 lacs
6. Reserves & Surplus	:	Rs. 75.43 "
7. Total Assets	:	Rs. 1333.52 "
8. Total Liabilities	:	Rs. 447.89 "
9. Investments	:	Rs. 88.24 "
10. Turnover	:	Rs. 264.17 "
11. Profit before taxation	:	Rs. 8.09 "
12. Provision for taxation	:	Rs. 0.99 "
13. Profit / (Loss) after taxation	:	Rs. 8.09 "
14. Proposed Dividend	:	NIL
15. % of shareholding	:	82%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of subsidiaries which have been liquidated or sold during the year. : NIL

**AUDITORS' CERTIFICATE ON COMPLIANCE WITH
THE CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of AI Champdany Industries Limited

We have examined the compliance of conditions of Corporate Governance by AI Champdany Industries Limited for the year ended 31st March 2019, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We state that all investor grievances were redressed within 30 days of lodgement of grievance and as on 31.03.2019 no investor complaint is pending against the company as per the records maintained by the Stakeholders Relationship/Grievance Committee.

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

For G Basu & Co.
Chartered Accountants
FRN 301174E
G Guha
Partner
Membership No: 054702

Place : Kolkata

Date: 13th June, 2019

AI CHAMPDANY INDUSTRIES LIMITED

Corporate Governance Report for the year ended 31st March 2019

The detailed report on Corporate Governance and process including compliance by the Company in terms of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (“Listing Regulations”) is set out below:

Company’s Philosophy on Code of Governance

The company’s philosophy on corporate governance is to conduct its business in a ethical and transparent prospective catering to exigencies of stakeholders including shareholders, lenders, creditors and employee. The Company and its Board of directors firmly believe that strong corporate governance, by maintaining a simple and transparent corporate structure, ensures value on a sustainable basis. Good governance is a continuing exercise and the company reiterates its commitment to pursue the same in all aspects of its operations in the overall interest of all its stakeholders and protection of minority views including institutionalization of a fair and transparent reporting system. The directors and employees have accepted a code of conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the company.

Board of Directors

The Board of Directors comprised of seven Directors, out of which two are promoter non-executive directors, one Managing Director and four Non-executive Independent Directors (including one woman Director). After tenure of two Independent Directors ended at the last AGM held as on 13.08.2018, the Board of Directors comprised of five Directors, out of which two are promoter non-executive Directors, one Managing Director and two Non-executive Independent Directors (including one woman Director). The Board of Directors comprises of four Director after demise of Mr. Bhushan Wadhwa on 10.03.2019, out of which one is promoter Non-executive Director, one Managing Director and two Non-executive Independent Directors (including one woman Director).

The Directors are endowed with wide range of experience and skills. The composition of the board is in conformity with Regulation 26(1) of the Listing Regulations. As per the Listing Regulations, no Director can be a member in more than 10 committees or act as chairman of more than 5 committees across all public listed companies in which he is a Director. All the Independent Directors qualify the conditions for being Independent Director as prescribed under Regulations. No Director is related to any Director. Further, the Board periodically reviews compliance reports of all laws applicable to the company and necessary steps are being taken to ensure the compliance in letter and spirit. The brief resume/details relating to Director seeking appointment/ re-appointment is furnished in the Annexure to the Notice of the ensuing Annual General Meeting.

The composition of the Board of Directors, the attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) and also the number of other Directorships or Committee of which he is a Member/Chairman are as under:

Name of the Director	DIN	Category	Attendance		No. of Directorships and committee Memberships/Chairmanships in other companies		
			Board Meetings	Last AGM	Other Directorships**	Committee Memberships	Committee Chairmanships
Mr. D. J. Wadhwa (Chairman upto 13.08.2018)	00046180	Promoter Non-Executive	8	Yes	3	-	-
Mr. S. M. Palia	00031145	Independent Non-Executive	4	Yes	Tenure of Directorship ended on 13th August 2018		
Mr. Harbhajan Singh	00237556	Independent Non-Executive	2	No	Tenure of Directorship ended on 13th August 2018		
Dr. G. Goswami (Chairman from 14.08.2018)	00024209	Independent Non-Executive	8	Yes	4	4	-
Ms. Ramya Hariharan	06928511	Independent Non-Executive	7	Yes	8	13	-
Mr. N. Pujara	00047803	Executive Director	7	Yes	11	-	4
Mr. B. Wadhwa	00407790	Promoter Non-Executive	7	Yes	Died on 10th March 2019		

**Includes Directorship in both private limited companies and public limited companies.

Responsibilities

The Board of Directors represents the interest of the Company's shareholders, in optimizing long-term value by providing the management with guidance and strategic direction on the shareholders' behalf. The board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholders and reporting to shareholders.

Independent Directors

The Company has complied with the definition of Independence as per Regulation 16(b) of the Listing Regulations and according to the Provisions of section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to section 149(7) of the Companies Act, 2013.

Role of Independent Directors

Independent Directors play important roles in deliberations at the board meetings and enrich the Company with their wide experience in the fields of finance, housing, accountancy, law and public policy. Combination of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

The Audit Committee, the Nomination & Remuneration Committee and the Stakeholders Relationship Committee have a majority of Independent Directors. These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the Listing Regulations and as approved by the board, from time to time.

Board members ensure that their work in other capacities do not impinge on their fiduciary responsibilities as Directors of the Company.

Training of Independent Directors

Whenever new Non-executive and Independent Directors are inducted in the Board they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organisation structure, our business, constitution, board procedures, inherent risks and management strategies.

The appointment letters of Independent Directors has been placed on the Company's website at www.jute-world.com.

Performance Evaluation of Non-executive and Independent Directors

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience and proven track record in the field of business, finance, industry and administration.

Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on 14th February, 2019, without the attendance of Non-Independent Directors and members of Management in which items, inter alia, discussed/reviewed includes:

- i) Reviewed of performance of non-independent Directors and the Board as a whole;
- ii) Reviewed of performance of the Chairman of the Company, taking into account the views of Directors;
- iii) Assessment of quality, quantity and timeliness of flow of information between the functional Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Meetings of the Board

During the financial year ended 31st March 2019 Eight Board meetings were held on 04th April 2018, 28th May 2018, 12th June 2018, 13th August 2018, 13th September 2018, 5th November 2018, 14th November 2018 and 14th February 2019.

Audit Committee

The Audit Committee of the Company has constituted pursuant to the provisions of Section 177 of the Companies Act, 2013 and the provision of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

It has the following terms of reference and composition:

Terms of references/scope of the Company audit committee inter alia include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment the auditors of the company.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to;
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policy and practices and reason for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management.
 - d. Significant adjustments made in the financial statement arising out of audit findings.
 - e. Compliance with listing and other legal requirement relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.

Reviewing, with the management, the quarterly financial statements and annual financial statements before submission to the Board for approval

The Audit Committee also reviews such matters as considered appropriate by it or referred to it by the board.

Composition, Meetings and Attendance:

The Audit Committee of the Company comprises three Directors- two of whom are Independent, Non-Executive and one is Managing Director. All of them are expert in Corporate Finance, accounts and corporate laws. The chairman of the committee is an Independent, Non-Executive Director, nominated by the Board.

The Company Secretary acts as the secretary to the committee. The CFO, the Statutory Auditor and the Internal Auditor of the company are permanent invitees at the meetings of the committee. The composition of the Audit Committee meets the requirement of Listing Regulations and the provisions of the Companies Act, 2013.

During the financial year ended 31st March 2019, Six Audit Committee meetings were held on 4th April 2018, 28th May 2018, 12th June 2018, 13th August 2018, 14th November 2018 and 14th February 2019.

Name of Member	Designation	No. of meetings Attended
Mr. Harbhajan Singh	Independent Non-Executive Director (upto 13th August 2018)	2
Dr. G Goswami	Independent Non- Executive Director	6
Ms. R Hariharan	Independent Non-Executive Director	5
Mr. N Pujara	Managing Director	5

Nomination and Remuneration Committee

Composition: The Committee of the Board comprises of two Independent Directors, namely Mr. Harbhajan Singh (upto 13th August 2018), Dr. G Goswami and Ms Ramya Hariharan (from 13th August 2018) and one Promoter Non-Executive Director Mr. B Wadhwa (died on 10th March 2019) and Mr D J Wadhwa (from 14th February 2019)

Terms of Reference: The Committee has been constituted to review/recommend/approve remuneration of the Managing Director/Chief Financial Officer, Company Secretary and other senior employees based on their performance.

The role of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become Directors and who may be appointed in

senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Nomination and Remuneration Committee has formulated the criteria for Board evaluation.

Meetings: No meeting was held during the financial year ended 31st March 2019.

DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS FOR THE YEAR ENDED 31st MARCH 2019.

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the financial year 2018-19 is as under:

(Amount in Rs.)

Name of the Director	Meeting Fees			Total	No. of shares held	
	Audit Committee	Board	Other * Committees		Equity	2% Preference
Mr. S M Palia **	-	1,00,000	-	1,00,000	266	500
Mr. Harbhajan Singh **	50,000	50,000	-	1,00,000	-	-
Dr. G Goswami	1,50,000	2,00,000	-	3,50,000	-	-
Mr. D J Wadhwa	-	2,00,000	-	2,00,000	3834942	-
Mr. B Wadhwa	-	1,75,000	-	1,75,000	-	-
Ms. Ramya Hariharan	1,25,000	1,75,000	-	3,00,000	-	-
Total	3,25,000	9,00,000		12,25,000		

* for attending Nomination and Remuneration Committee and Stakeholders' Relationship Committee Meetings.

** Tenure as Director ended on 13th August 2018.

B. Remuneration to Managing Director

The appointment of Managing Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholder of the Company, which cover the terms of such appointment and remuneration, read with the service rules of the company. Payment of remuneration to Managing Director is governed by the Agreement executed between them and the Company. The remuneration package of Managing Director comprises of salary, perquisites and allowances and contributions to Provident and other Retirement Benefit Funds as approved by the shareholder at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent.

There is no separate provision for payment of severance fees under the resolutions governing the appointment of Managing Director.

Name of the Managing Director	Salary(Rs)		Remarks
Mr. Nirmal Pujara	64,80,000	-	Reappointed as Managing Director from 01st January 2018 for 5 years. The contract is terminable by either party by giving 3 months notice.

Stakeholders' Relationship Committee

The Board has set up a Stakeholders' Relationship Committee consisting of one independent non-executive Director and one promoter non-executive Director and one executive Director as under:

- i) Dr. G Goswami – Chairman (Independent non-executive Director)
- ii) Mr. D J Wadhwa – Member (Promoter non-executive Director)
- iii) Mr. N Pujara – Member (Executive Director)
- iv) Mr. B Wadhwa – Member (Promoter non-executive Director – Died on 10th March 2019)

No Meeting was held during the financial year ended 31st March 2019.

The detailed positions of the shareholders' complaints as on 31st March 2019 are as under:

- a) Number of complaints received from Stock Exchange/SEBI – NIL
- b) Number of complaints non-resolved/non-action taken – NIL
- c) Number of pending share transfer as on 31st March 2019 – NIL

Investors' grievances are resolved expeditiously.

Compliance Officer:

Mr. Binod Kumar Chowdhury, had been designated as Company Secretary cum Compliance Officer upto 11.05.2019 and from 13.06.2019 Mr. Pintu Singh has taken over the charge.

General Body Meeting

Location and time where the last three Annual General Meeting were held.

Financial Year	Location of Meeting	Date	Time
2015-2016	Bharatiya Bhasa Parishad 36A, Shakespeare Sarani 4th Floor, Kolkata – 700 017	12th August, 2016	4.00 PM
2016-2017	Bharatiya Bhasa Parishad 36A, Shakespeare Sarani 4th Floor, Kolkata – 700 017	21st September 2017	10.30 AM
2017-18	Bharatiya Bhasa Parishad 36A, Shakespeare Sarani 4th Floor, Kolkata – 700 017	13th August 2018	11-30 AM

Special Resolutions were passed in the last Annual General Meeting held on 13th August 2018 for reappointment / continuation of two Independent Director and one Promoter non-executive Director.

Subsidiary

The Company has one non-listed Indian Subsidiary Company i.e. Champdany Constructions Ltd. It is not a material subsidiary.

- a) Financial Statement in particular the investments made by the Subsidiary Company are reviewed quarterly by the Audit Committee of the Company.
- b) All minutes of the meetings of the Subsidiary Company are placed before the Company's Board Meeting regularly.
- c) A statement containing all significant transactions and arrangements entered with Subsidiary Companies are placed before the Company's Board.

Disclosures

Related party transactions

There were no transactions with related parties that may have potential conflict with the interest of the Company. Details of related party transactions entered into by the Company in the ordinary course of its business and at arm's length price are included in the notes forming part of the financial statements. There were no financial or commercial transactions by the senior management with the Company where they have personal interests that may have a

potential conflict with the interests of the Company at large.

The material financial and commercial transactions where persons in management have personal interest, exclusively relate to transactions involving Key Management Personnel forming part of the disclosure on related parties referred to in Notes to Annual Accounts, which were reported to Board of Directors. The Register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for approval.

Capital Markets

The Company has complied with all the legal requirements related to Capital Markets during the year 2018-19.

Whistle Blower policy

The Company has in place an Employee concern (Whistle Blower) which is also available on the Company's website i.e. www.jute-world.com. No personnel have been denied access to the Audit Committee to lodge their grievances.

Issue of Shares

There have been no public issues, right issues or other public offerings during the year ended 31st March 2019. The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

No presentations were made to Institutional Investors and analysts during the year.

Means of Communication

The unaudited quarterly and audited annual financial results along with the notes are normally published in one National English Newspaper (Financial Express) and one Bengali Newspaper (Arthik Lipi) circulating in Kolkata, within 48 hours of approval by the Board and are faxed/intimated to Stock Exchanges. The quarterly results of the Company are put on the web site of the Company after these are submitted to the Stock Exchanges. Our web site address is www.jute-world.com

General Shareholders' information:

a) AGM date, time and venue

Annual General Meeting is to be held on Tuesday, the 13th day of August 2019 at 11-00 A.M. at the Auditorium of Bharatiya Bhasha Parishad, 4th floor, 36A, Shakespeare Sarani, Kolkata 700 017.

b) Financial Calendar 2019-20 (Tentative)

Financial year: 1 April to 31 March.

Unaudited Financial Result for the 1st quarter ending on 30 June 2019 : Within 14 August 2019

Unaudited Financial Result for the 2nd quarter / half year ending on 30 September 2019 : Within 14 November 2019

Unaudited Financial Result for the 3rd quarter/ Ninemonth ending on 31 December 2019: Within 14 February 2020

Audited Annual Results (i.e. year ending on 31 March 2020) : By the end of 30 May, 2020

c) Book Closure period: From 7 August 2019 to 13 August 2019 (both days inclusive)

d) Listing on Stock Exchange

The Company's Equity shares are listed on BSE Ltd. Shares were delisted w.e.f. 17.10.2018 from National Stock Exchange of India Ltd. Annual Listing fees as prescribed have been paid to BSE Ltd. for the year 2019-20.

e) Scrip Code

Bombay Stock Exchange
532806

National Stock Exchange (upto 16th October 2018)
AICHAMP

f) Stock price data

Month	BSE		NSE (upto 16.10.2018)	
	High	Low	High	Low
April, 2018	32.20	26.00	32.90	21.00
May, 2018	34.65	28.50	26.85	20.30
June, 2018	29.95	25.60	23.75	12.45
July, 2018	28.05	22.80		
August, 2018	25.80	19.65		
September, 2018	20.00	17.80		
October, 2018	18.95	12.65		
November, 2018	16.20	11.31		
December, 2018	17.85	11.90		
January, 2019	16.07	9.51		
February, 2019	16.10	12.45		
March, 2019	14.19	11.73		

g) Registrar and Share Transfer Agents

The Company has appointed M/s.MCS Share Transfer Agent Limited having its office at 383, Lake Gardens, 1st floor, Kolkata – 700045 as Registrar for both demat and physical segment.

h) Share Transfer System

Shares in demat and physical form are being processed by the registrar on regular basis. Share transfer requests received in physical form are registered within 15 days from the date of receipt and demat requests are normally confirmed within an average of 15 days from the date of receipt.

i) Distribution of Shareholding as on 31 March 2019

Group of Shares	No. of Share-holders	% of share-holders	Equity	
			No. of Shares held	% of Total Shares
1 to 500	2935	89.1284	214054	0.6960
501 to 1000	163	4.9499	116623	0.3792
1001 to 2000	90	2.7331	126899	0.4126
2001 to 3000	38	1.1539	94344	0.3068
3001 to 4000	15	0.4555	51696	0.1681
4001 to 5000	10	0.3037	45299	0.1473
5001 to 10000	6	0.1822	45613	0.1483
10001 to 50000	7	0.2126	144483	0.4698
50001 to 100000	4	0.1215	307339	0.9994
100001 and above	25	0.7562	29607481	96.2725
GRAND TOTAL	3293	100.0000	30753831	100.0000

2% Preference Share

Group of Shares	No. of Share-holders	% of share holders	No. of Shares held	% of Total Shares
1 to 500	69	72.6316	11010	0.0887
501 to 1000	7	7.3684	6,532	0.0526
1001 to 2000	5	5.2632	7,163	0.0577
2001 to 3000	2	2.1053	4,800	0.0387
3001 to 4000	3	3.1579	10,400	0.0838
4001 to 5000	1	1.0526	5,000	0.0403
5001 to 10000	1	1.0526	10,000	0.0805
10001 to 50000	1	1.0526	30,000	0.2416
50001 to 100000	-	-	-	-
100001 and above	6	6.3158	12329448	99.3161
GRAND TOTAL	95	100.0000	12,414,353	100.0000

j) Categories of Shareholders as on 31 March 2019

Particulars	Equity			2% Preference		
	No. of Holders	Holding/ Shares held	% to Capital	No. of Holders	Holding/ Shares held	% to Capital
Promoters Group	21	18112654	58.8956	5	9773156	78.7247
Indian Financial Institutions/Banks	28	2672582	8.6902	4	2558332	20.6078
Central / State Government	3	764	0.0025	-	-	-
Foreign Institutional Investors	2	1332	0.0043	-	-	-
Bodies Corporate	105	520614	1.6929	5	4400	0.0354
Trust & Foundations	1	10	0.0000	-	-	-
NRI	36	4118	0.0134	-	-	-
Foreign Bodies Corporate	2	8533332	27.7472	-	-	-
Individual	3095	908425	2.9539	81	78465	0.6321
Total	3293	30753831	100.0000	95	12414353	100.0000

k) Dematerialization of shares

As on 31 March 2019, 62.0441% of total holding of Equity Shares and 79.3784 % of total holding of 2% Preference Shares have been dematerialised.

l) ISIN allotted by NSDL/CDSL to Shares of the Company:

INE 768E01024 for Equity Share and INE768E04010 for 2% Preference Share

m) Plant Location :

As appearing on the first page of Annual Report

n) Investors' Correspondence :

For assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividends and any other queries relating to shares, investors may write to: Share Department, AI Champdany Industries Limited, 25, Princep Street, Kolkata-700 072; Telephone (033) 2237 7880 to 85; Fax: (033) 2225 0221, 2236 3754 or Company's Registrar and Share Transfer Agent M/s MCS Share Transfer Agent Ltd., 383, Lake Gardens, 1st floor, Kolkata - 700045, Telephone: (033) 4072-4051 to 53, Fax (033) 4072-4054.

Shareholders, holding shares in electronic mode, should address all their correspondences to their respective Depository Participant.

o) The Investors Education and Protection Fund

The shareholders and other stakeholders are hereby informed that pursuant to provisions of Section 124(5) of the Companies Act, 2013, all dividend remaining unpaid/unclaimed for a period of 7 years from the date they became due for payment will have to be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government. The company has already transferred to the IEPF unpaid/unclaimed dividend for the financial year ended 31 March 2008 which remained unpaid/unclaimed for a period of 7 years from the date they became due.

p) Appointment/Re-appointment of Directors

The individual details of Director seeking appointment /re-appointment at the ensuing Annual General Meeting of the Company are provided in the Annexure accompanying the notice of the Annual General Meeting.

q) Auditors' certificate on Corporate Governance

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations and same is annexed to this report.

r) CEO/CFO Certification

The Managing Director and Chief Financial Officer of the Company give Annual certification on financial reporting and internal controls to the Board in terms of regulation 17(8) of Listing Regulations for CEO/CFO Certification.

s) Code of Conduct:

a) Code of Conduct for Board of Directors and Senior Management

The Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors and Senior Management of the Company.

b) Company's Code of Conduct for prevention of Insider Trading

The Company has adopted a Model Code of Conduct for prevention of Insider Trading in the shares and securities of the Company pursuant to the provisions of Insider Trading Regulations formulated by Securities and Exchange Board of India (SEBI). The Code, inter-alia, prohibits purchase/sale of shares of the Company by Directors, officers and designated employees while in possession of unpublished price sensitive information in relation to the Company. Company secretary was the Compliance Officer for the purpose of these regulations.

Mandatory and non-mandatory requirements

(a) Status of Compliance of the mandatory requirements

The Company has adopted/complied with all mandatory requirements on Corporate Governance.

(b) Status of Compliance of the Non-mandatory requirements.

The Company has not adopted non-mandatory suggestions relating to sending six-monthly information to each household of shareholders.

Declaration by the Managing Director on the Code of Conduct:

Pursuant to Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 I, Nirmal Pujara, Managing Director of AI Champdany Industries Ltd. declare that all the Board Members & Senior Executives of the company have affirmed their compliance with the Code of Conduct during the year ended 31st March 2019.

Place: Kolkata

Dated: 13th June, 2019

N. Pujara

Managing Director

CERTIFICATION BY CEO & CFO

We, Nirmal Pujara, Managing Director and Lalanjee Jha CFO of AI Champdany Industries Ltd certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2019 which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. , Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the audit committee and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- (1) There has been no significant changes in internal control over financial reporting during the year;
 - (2) There has been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances we are not aware during the year of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Lalanjee Jha
CFO

Nirmal Pujara
Managing Director

Date: 13.06.2019

Place: Kolkata

Auditors' Report on the Abridged Standalone Financial Statements

To the Members of

AI Champdany Industries Limited

The accompanying abridged standalone financial statements, which comprise the summary Balance Sheet as at March 31, 2019, the abridged Standalone statement of Profit & Loss, and Cash Flow Statement for the year then ended, and related notes, are derived from the audited Standalone financial statements of AI Champdany Industries Limited for the year ended March 31, 2019. Those financial statements, and the abridged Standalone financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those Standalone financial statements. The abridged Standalone financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act") [applied in the preparation of the audited Standalone financial statements of AI Champdany Industries Limited]. Reading the abridged Standalone financial statements, therefore, is not a substitute for reading the audited Standalone financial statements of AI Champdany Industries Limited.

2. Management's Responsibility for the Abridged Financial Statements.

Management is responsible for the preparation of the audited Standalone financial statements in accordance with [Accounting Standards referred to in section 133 of the Companies Act, 2013. ("the Act) and accounting principles generally accepted in India].

3. Auditor's Responsibility

Our responsibility is to express an opinion on the abridged Standalone financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

4. Opinion

In our opinion the abridged Standalone financial statements derived from the audited financial statements of AI Champdany Industries Limited for the year ended March 31, 2019, are fair summary of those Standalone financial statements, in accordance with Accounting Standards referred to in of section 133 of the Companies Act, 2013 ("the Act") and accounting principles generally accepted in India.

For G Basu & Co.
Chartered Accountants
FRN 301174E
G Guha
Partner

Place : Kolkata

Date: 13th June, 2019

Membership No: 054702

AI CHAMPDANY INDUSTRIES LIMITED
ABRIDGED BALANCE SHEET AS AT 31 MARCH 2019

(Statement containing salient features of the Balance Sheet as per Section 136 (I) of the Companies Act,2013)

		Rs. in lacs	
		As at 31 March 2019	As at 31 March 2018
I	ASSETS		
I	Non-current Assets		
	(a) Property, Plant and Equipment	5,705.85	5,185.89
	(b) Capital work in progress	1,195.49	1,310.12
	(c) investment Property	753.39	753.39
	(d) Financial Assets-		
	i) Investments	719.27	889.78
	ii) Fixed Deposits with Banks (Maturing after 12 months)	506.92	13.62
	(e) Other Non Current Assets	22.43	47.94
	Total Non - Current Assets	8,903.35	8,200.74
II	Current Assets		
	a) Inventories	14,736.86	15,622.01
	b) Financial Assets		
	i) Trade Receivables	1,394.23	1,768.74
	ii) Cash and Cash Equivalent	5.97	10.50
	iii) Bank Balance other than (ii) above (3 months to 12 months)	14.78	485.89
	iv) Loans	211.87	236.42
	v) Others	4,044.09	1,470.94
	c) Current Tax Assets (net)	115.56	82.54
	d) Other Current Assets	581.31	581.42
	Total Current Assets	21,104.67	20,258.46
	Total Assets	30,008.02	28,459.20
III	EQUITY AND LIABILITIES		
	a) Equity Share Capital	1,537.69	1,537.69
	b) Other Equity	6,325.83	6,311.72
		7,863.52	7,849.41
I	Non-current Liabilities		
	(a) Financial liabilities		
	i) Borrowings	11,919.92	7,365.53
	ii) Other financial liabilities	184.73	184.76
	(b) Other Non-current Liabilities	82.72	195.37
	Total Non- Current Liabilities	12,187.37	7,745.66
II	Current Liabilities		
	(a) Financial Liabilities		
	i) Borrowings	3,531.39	6,208.40
	ii) Trade Payables		
	Total outstanding dues of Micro Enterprises & Small Enterprises	-	-
	Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises	3,911.69	4,137.19
	iii) Other Financial Liabilities	339.19	698.46
	(b) Other Current Liabilities	444.33	466.98
	(c) Provisions	1,730.53	1,353.10
	Total Current Liabilities	9,957.13	12,864.13
	Total Equity and Liabilities	30,008.02	28,459.20
<p>Refer Accounting Policies and Notes forming part of the Abridged Accounts. Compiled from the Audited Balance Sheet of the Company referred to in our report of even date.</p>			
		On behalf of the Board	
For G.Basu & Co. Chartered Accountants FRN 301174E		G Goswami Director	
G Guha Partner Membership No.054702 Kolkata, 13 June 2019	Pintu Singh Company Secretary & Compliance Officer	Lalanjee Jha Chief Financial Officer	N. Pujara Managing Director

Note: Complete Balance Sheet, Statement of Profit and Loss, Other Statements and Notes thereto prepared as per the requirements of schedule III to the Companies Act, 2013 are available at the Company's Website at www.jute-world.com

AI CHAMPDANY INDUSTRIES LIMITED

ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

(Statement containing salient features of the Statement of Profit and Loss as per Section 136 (I) of the Companies Act, 2013)

		Rs. in lacs	
		2018-19	2017-18
I	Revenue from Operations	13,173.62	12,781.69
II	Other Income	938.05	827.87
III	Total Income	14,111.67	13,609.56
IV	EXPENSES		
	Cost of Materials Consumed	5,217.21	6,156.23
	Purchase of Stock-in- Trade	116.85	469.35
	Changes in Inventories of Finished Goods, Work-in Progress and Stock in Trade	822.09	(2,397.58)
	Employee Benefits Expense	4,240.95	4,961.42
	Finance Cost	1,051.44	1,177.34
	Depreciation and Amortization Expenses	388.18	409.45
	Other Expenses	2,149.59	2,622.62
	Total Expenses	13,986.31	13,398.83
V	Profit/(Loss) Before Exceptional Items and tax	125.36	210.73
VI	Exceptional Items		
VII	Profit/(Loss) Before Tax	125.36	210.73
VIII	Tax Expenses		
	Current Tax	66.97	77.23
	MAT Credit Available	-	-
	Current Wealth Tax	-	-
	Adjustment relating to earlier years (Taxes)	-	(59.27)
	Total tax expense		
	Deferred Tax (Asset)	(112.90)	17.26
	Total current tax expense	(45.93)	35.22
IX	Profit/(Loss) for the year	171.29	175.51
X	Other Comprehensive Income		
	i) Items that will be reclassified to profit/(loss)	-	-
	II) Income tax relating to Items that will be reclassified to profit/(loss)	-	-
	iii) Items that will not be reclassified to profit/(loss)	(198.32)	(237.29)
	iv) Income tax relating to Items that will not be reclassified to profit/(loss)	66.71	77.79
	Total other comprehensive Income	(131.61)	(159.50)
	Total Comprehensive Income	39.68	16.01
	Earnings per share (face value of Rs 5 each)	0.51	0.59

Refer Accounting Policies and Notes forming part of the Abridged Accounts.

Compiled from the Audited Statement of Profit and Loss of the Company referred to in our report of even date.

On behalf of the Board

For G.Basu & Co.
Chartered Accountants
FRN 301174E

G Goswami
Director

G Guha
Partner
Membership No.054702
Kolkata, 13 June 2019

Pintu Singh
Company Secretary &
Compliance Officer

Lalanjee Jha
Chief Financial Officer

N. Pujara
Managing Director

AI CHAMPDANY INDUSTRIES LIMITED
ABRIDGED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

		Rs. in lacs	
		2018-19	2017-18
1	Cash flow from operating activities	90.12	2,825.14
2	Cash flow from investing activities	(181.40)	(68.88)
3	Cash flow from financing activities	2,763.76	(991.41)
4	Net increase/(decrease) in cash and cash equivalents	2,672.48	1,764.85
5	Cash and cash equivalents at the beginning of period	(6,197.90)	(7,962.75)
6	Cash and cash equivalents at the end of period	(3,525.42)	(6,197.90)

Compiled from the Audited Cash Flow Statement of the Company referred to in our report of even date.

On behalf of the Board

For G.Basu & Co.
Chartered Accountants
FRN 301174E

G Goswami
Director

G Guha
Partner
Membership No.054702
Kolkata, 13 June 2019

Pintu Singh
Company Secretary &
Compliance Officer

Lalanjee Jha
Chief Financial Officer

N. Pujara
Managing Director

AI CHAMPDANY INDUSTRIES LIMITED

NOTES TO ABRIDGED FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH 2019

1. Significant Accounting Policies to the Financial Statements for the year ended 31st March 2019

1.1. CORPORATE AND GENERAL INFORMATION

The Parent Company, AI Champdany Industries Ltd. (“the Company”) is a public limited company domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India. The company assumed its present status including name in 2006 after series of merger, the oldest of the parties to merge being Champdany Jute Company Ltd. established in 1873. The Company belongs to a renowned industrial house of Kolkata, the "Wadhwa Group" which took over controlling stake in 1967 from foreign management. The registered office of the Company is situated in Kolkata. The Company’s principal business is manufacturing and trading of jute products. The parent has only one subsidiary named Champdani Constructions Limited. The group has no associate or jointly controlled entity.

2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENT

2.1. Statement of Compliance

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

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet since 1st April, 2016 i.e the “First Time Adoption of Indian Accounting Standards” under IND AS-101.

2.2. Basis of Measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities are measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Derivative Financial Instruments are measured at fair value;
- Defined Benefit Plans – plan assets are measured at fair value.

2.3. Functional and Reporting Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division-II of Schedule III to the Companies Act, 2013 (“the Act”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, and various stipulation of Ind AS are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current and non-current depending on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company

has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7. Measurement of Fair Values

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs of lowest level that is significant to fair value measurement are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs of lowest level that is significant to fair value measurement are unobservable for the asset or liability.

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

Transfer of assets and liabilities (recognized on recurring basis), if occurs between the levels of hierarchy are

determined by re-assessing categorization (based on lowest level input that is significant for fair value measurement as a whole) at the end of each reporting period.

The company determines policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value and non-recurring measurement such as assets held for distribution in discontinued operation.

2.8. PRINCIPLES OF CONSOLIDATION:

- (a) Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from investment with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from that date that control ceases.
- (b) Proportionate Networth of Subsidiaries belonging to minority Shareholders is accounted for under non controlling interest.
- (c) The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income & expenses. Intercompany transactions, balances & unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides the evidence of an impairment of the transferred asset. Accounting policies of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the group.
- (d) Consolidated herein is the accounts of Champdany Construction Ltd., a wholly owned subsidiary is situated at 33,Chittaranjan Avenue , Kolkata- 700012

3. ACCOUNTING POLICIES

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

3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of sale.

Cost formulae are as follows:

Particulars	Cost Formula
Raw Material, Consumable Stores & Spares, Stock-in-trade	Weighted average basis. On FIFO basis
Finished Goods & Work-in-Progress	At cost of input (on FIFO basis) plus labour and related manufacturing overhead including depreciation.
Scrap Materials	At net realizable value.
Securities	On FIFO basis

3.2. CASH AND CASH EQUIVALENTS

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

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company’s cash management. However, Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the

applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that these relate to items recognised in other comprehensive income or directly attributable to equity. In these cases, the tax is also recognised in other comprehensive income or in statement of change in equity, respectively.

3.3.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates applicable to the reporting period.

3.3.2. Deferred Tax

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

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets

3.4.1.1. Recognition and Measurement:

- Property, plant and equipment & Investment Property have been carried under cost model.
- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet under cost model i.e.cost, less any accumulated depreciation and accumulated impairment losses (if any), except for freehold land which are carried at historical cost.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. Such costs include borrowing cost if recognition criteria are met.
- If significant parts of an item of property, plant and equipment including their major components have different useful lives, then they are accounted for as separate items of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2. Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.1.3. Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In case the cost of part of tangible asset is significant to the total cost of the asset and useful life of that part is different from the remaining useful life of the asset, depreciation is provided thereon on straight line method based on internal assessment and independent technical evaluation carried out by external valuer.
- Depreciation on additions/disposals during the year is provided on pro-rata basis depending on the usage period of asset since/upto the date of installation/disposal.
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.4.1.5. Capital Work in Progress

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

3.5. LEASES

3.5.1. Any transfer under an arrangement of lease virtually endowing the lessee to utilize the property as if his own property for a specified period (including renewal thereon by convention or express stipulation in lease agreement itself) is treated as finance lease.

No lease deal in which the company is a party as lessor is recognized as finance lease unless lease period is by an large commensurate with the life span of the assets given on lease in terms of schedule II of the Companies Act, 2013.

Lease arrangement of any other nature is treated as operating lease.

3.5.2. In case of finance lease, the value of concerned noncurrent assets / liability is determined at the point of commencement of lease by way of adding initial payment with discounted value of future lease installment during life span of lease in terms of interest rate implicit in the lease or incremental borrowing rate, if the former is not practicable to determine.

3.5.3. Expenses/Income under operating lease are more or less same as that of rental income/payment accounted for on accrual basis unless an escalation clause forms integral part of lease agreement in which case income booking is appropriately averaged.

3.5.4. Depreciation on leasehold assets is provided on straight line method over the period of lease.

3.6. RECOGNITION OF INCOME AND EXPENSES

3.6.1. Revenue from Contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

3.6.2. Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of products is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

3.6.3. Sales are measured at the fair value of consideration received or receivable. Sales recognized is net of GST, intermediary sales, rebates.

3.6.4. Dividend for distribution is accounted for at the point of approval by relevant authority with due disclosure in financial statements of dividend declared/recommended/proposed pending distribution.

3.6.5. Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

3.6.6. Dividend income is accounted when the company's right to receive the payment is established, which is generally when the appropriate authority approves the dividend.

3.7. EMPLOYEE BENEFITS

3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. Other Long Term Employee Benefits

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

3.7.3. Post Employment Benefits

The Company operates the following post employment schemes:

➤ **Defined Contribution Plan**

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

➤ **Defined Benefit Plans (Gratuity)**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

3.8. GOVERNMENT GRANTS

Government grants are recognized at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

Alternatively, the same can be presented by deducting the grant from the carrying amount of the asset.

3.9. FOREIGN CURRENCY TRANSACTIONS

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

3.10. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.11.FINANCIAL INSTRUMENTS

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

3.11.1.Financial Assets

- Recognition and Initial Measurement:

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

Financial assets are classified, at initial recognition as financial assets measured at fair value or financial assets at amortized cost.

➤ Classification and Subsequent Measurement:

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

- Measured at Amortized Cost;
- Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- Measured at Fair Value Through Profit or Loss (FVTPL); and
- Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

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

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

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

- Business Model Test:
 - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- Cash Flow Characteristic Test:
 - The asset's contractual cash flows represent SPPI.

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

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

➤ Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ Derecognition:

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

➤ Impairment of Financial Assets:

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

3.11.2. Financial Liabilities

➤ Recognition and Initial Measurement:

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

➤ Subsequent Measurement:

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

➤ Financial Guarantee Contracts:

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

➤ Derecognition:

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

3.11.3. Offsetting financial instruments

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

3.11.4. Derivative financial instruments:

The Company deals in derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

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

3.12. Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.13. Impairment of Non-Financial Assets

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

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14. Provisions, Contingent Liabilities and Contingent Assets

3.14.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.14.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.14.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.15. Intangible Assets

3.15.1. Intangible Assets are initially recognized at:-

- 1) In case the assets are acquired separately, then at cost
- 2) In case the assets are acquired in a business combination then at fair value.
- 3) In case the assets are internally generated then at capitalized development cost subject to satisfaction of criteria of recognition (identifiability, control and future economic benefit) laid down from clause 11 to 17 of INDAS 38.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. Research costs are recognized as expense in the period in which it is incurred.

- 3.15.2. Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. Intangible assets with infinite useful life including goodwill are tested for impairment annually.
- 3.15.3. Intangible assets with finite useful life are amortized over the useful economic life on a straight line basis.
- 3.15.4. Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.16. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

3.17. Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified two reportable segments i.e. Jute/Jute diversified products & Services & 'flax products' based on the information reviewed by the CODM

3.18. Business Combination under INDAS-103 and Consolidation under INDAS-110

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group control an entity when the Group is exposed to, for has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ("OCI")) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intercompany transactions, balances and un-realized gains/losses on transactions between group Companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The stake of outside shareholders in equity (including reserves and surplus) of subsidiaries appear under the head of non-controlling interest in terms of their proportionate stake in equity.

4. RECENT ACCOUNTING PRONOUNCEMENT ENTAILING INSERTION/MODIFICATION OF NEW/EXISTING STANDARDS

- a. IND AS 116, Lease Accounting – Newly inserted in supersession of IND AS 17 relating to treatment of lease-financial as well as operating.
- b. IND AS 12, Income taxes- on application of appendix C on uncertainty over income tax treatments.
- c. IND AS 23, Borrowing Costs- Laying down specific borrowing costs to be considered for capitalization.
- d. IND AS 109, Financial Instruments- On treatment of prepayment features with negative compensation.

- e. IND AS 19, Employee Benefits- Dealing with plan amendment, curtailment or settlement pertaining to defined benefit plan.

5. **SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost or fair value annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Sales Return:** The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

AI CHAMPDANY INDUSTRIES LIMITED

CIN No.L51909WB1917PLC002767

Notes to Abridged Financial Statements as on and for the year ended 31st March, 2019

27 Contingent Liabilities, Contingent Assets & Commitment to the extent not provided for:

27.1 Contingent Liabilities (not provided for)

Rs. in Lacs

Sl. No.	Particulars	Forum where the disputes are pending	"As at 31st March 2019"	"As at 31st March 2018"
(a)	Claims/Disputes/Demands not acknowledged as debts:-			
i.	Income Tax Matters	CIT(Appeal)	1,250.50	1,248.37
ii.	Commercial Tax Matters	ACCT,WBCTA & RB SJCT	275.59	292.62
iii.	Others	CESTAT,ESI Court,Review Board	718.68	718.68
(b)	Indication of uncertainty in timing		Unascertainable	
(c)	Indication of uncertainty in out flow		Unascertainable	
(d)	Possibility of any re-imburement		Unascertainable	

27.2 Commitments

Sl. No.	Particulars	"As at 31st March 2019"	"As at 31st March 2018"
i.	Estimated amount of contracts remaining to be executed on Capital Account	-	-
ii.	Bank Guarantees		
a.	Bank Guarantees	262.55	806.79
b.	Bank Guarantees issued on pledge of shares by other companies.	432.54	432.54
iii.	Bill Discounted	197.36	334.07

28 Arrears of dividend on Cumulative Preference Shares (including dividend distributions tax)

Particulars	"As at 31st March 2019"	"As at 31st March 2018"
Arrears Dividend (DDT) on cumulative preference shares	134.55(including DDT of Rs. 22.75 lakhs)	119.61 (including DDT of Rs.20.23 lakhs)

29 Assets pledge as security

The carrying amounts of assets pledged as security for current are:

Particulars	Refer Note No.	"As at 31st March 2019"	"As at 31st March 2018"
Current			
Financial assets			
First charge			
Trade Receivables		1394.23	1768.74
Non-financial assets			
First charge			
Inventories		14736.86	15623.02
Total current assets pledged as security		16131.09	17391.76
Non-current			
Second Charge			
Freehold land		1597.9	1597.91
Plant & machinery		3057.77	2705.35
Freehold buildings		1006.62	836.5
Total non-currents assets pledged as security		5662.29	5139.76
Total assets pledged as security		21793.38	22531.52

- (b) Fair value of Investment Property costing Rs 753.39 Lakhs in each 2 financial years under reference works out to Rs 36420.15 Lakhs in terms of last valuation report which is subject to revaluation in each 5 years.
- (c) Identification of Micro & Small enterprises within the meaning of MSMED Act 2006 have been made on the basis of disclosure to the effect in invoices & challan by the vendor as mandated .No such vendors has been found to dealing in with the company so as to make disclosures thereon.

30 Ind AS 17-Leases
30.1 Financial Lease (Lessee)
30.1.1 For each class of asset

Carrying amount	"As at 31st March 2019"	"As at 31st March 2018"
Leasehold Land	25.63	26.21

30.1.2 Reconciliation between the total future minimum lease payments and their present value.(financial lease)
For each class of asset

Particulars	"As at 31st March 2019"		"As at 31st March 2018"	
	MLP	PV	MLP	PV
Within 1 year	0.14	0.03	0.14	0.03
Between 1 to 5 years	0.54	0.09	0.54	0.10
After 5 years	5.30	0.20	5.44	0.22
Total minimum lease payments	5.98	0.32	6.12	0.35
Less: amounts representing finance charges	5.66		5.77	
Present value of minimum lease payments	0.32		0.35	

31. Defined Contribution Plan:

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

Sl. No.	Particulars	For the year ended 31st March 2019"	For the year ended 31st March 2018"
a	Provident Fund	89.11	79.47
b	Pension Fund	267.32	270.61
c	E.S.I.	179.88	183.18

31.1 Defined Benefit Plan:

The following are the types of defined benefit plans

31.1.1 Gratuity Plan

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. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

31.1.2 Provident Fund

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

31.1.3 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

ASSET VOLATILITY	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years.
CHANGES IN BOND YIELDS	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
INFLATION RISKS	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
LIFE EXPECTANCY	The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

31.1.4 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	2,241.34	2,452.88
Current Service Cost	100.33	64.86
Interest Cost on Defined Benefit Obligation	152.11	153.33
Actuarial Gain and Losses arising from		
Changes in demographic assumptions		
Changes in financial assumptions	(137.62)	540.74
Experience Adjustment	314.52	(277.20)
Benefits Paid from the Plan Assets	(431.28)	(693.27)
Balance at the end of the year	2,239.40	2,241.34

31.1.5 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	1,117.12	1,681.38
Interest Income on Plan Assets	67.61	97.17
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(24.00)	31.84
Employer Contributions to the Plan		
Benefits Paid from the Plan Assets	(431.28)	(693.27)
Balance at the end of the year	729.45	1,117.12

31.1.6 Expenses recognized in profit or loss

Particulars	Gratuity	
	2018-19	2017-18
Current Service Cost	100.33	64.86
Interest Cost	152.10	153.33
Interest Income on Plan Assets	67.61	97.17

31.1.7 Remeasurements recognized in other comprehensive income

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (gain)/ Loss on defined benefit obligation	176.89	263.52
Return on plan assets greater/ (lesser) than discount rate	24.00	(31.84)

31.1.8 Asset-Liability Matching Strategy

"The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. The company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets."

31.1.9 Actuarial Assumptions

Particulars	Gratuity	
	2018-19	2017-18
Financial Assumptions		
Discount Rate	7.3	7.5
Salary Escalation Rate	5.5	6.5
Demographic Assumptions		
Mortality Rate	IALM(2006-08)	IALM(2006-08)
Withdrawal Rate	4.2	4.2

31.1.10 The estimates of future salary increases/decreases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

31.1.11 Employee Benefit Expense also includes provident funds in the nature of defined benefit plans contribution amounting to Rs. 4240.95 lakhs (previous year Rs. 4961.43 lakhs)

31.1.12 Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity	
	2018-19	2017-18
Effect on DBO due to 1% increase in Discount Rate	2,090.83	2,109.34
Effect on DBO due to 1% decrease in Discount Rate	2,414.21	2,396.86
Effect on DBO due to 1% increase in Salary Escalation Rate	2,415.50	2,395.08
Effect on DBO due to 1% decrease in Salary Escalation Rate	2,087.14	2,107.48
Effect on DBO due to 50% increase in Withdrawal Rate	2,244.12	2,246.96
Effect on DBO due to 50% decrease in Withdrawal Rate	2,239.45	2,240.36
Effect on DBO due to 10% increase in Mortality Rate	2,242.64	2,244.29
Effect on DBO due to 10% decrease in Mortality Rate	2,240.97	2,243.20

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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

Company has not incurred any obligation on account of Corporate Social Responsibility till end of current financial year within the meaning of Sec 135 of Companies Act,2013

33 Related Party Disclosures

33.1 Related parties with whom transactions have taken place during the year and previous year are:

(A) Subsidiaries

Champdany Construction Limited.

(B) Key Management Personnels

Mr. Nirmal Pujara,

Mr. Umesh Kumar Keshri(upto 27.06.18)

Mr. Lalanjee Jha(From 02.07.18)

Mr. Binod Kumar Chowdhury(Upto 11.05.19)

Mr. Pintu Singh(From 13.06.19)

(C) Directors

Mr.D J Wadhwa,Chairman(upto 13.08.18)

Dr.G Goswami(From 14.08.18)

Mr.Harbhajan Singh(upto 13.08.18)

Mr.SM Palia(upto 13.08.18)

Mr.B Wadhwa(upto 09.03.19)

Ms.Ramya Hariharan

(D) Others (Entities under significant influence)

Landale & Clerk Ltd

G Jerambhai Exports Ltd

Gunny Dealers Ltd

Libra Exporters Ltd

Libra Transport Ltd

Macgregor & Balfour India Ltd.

Jessor Industries (India) Ltd.

Naffar Chandra Jute Mills Ltd.

Baidyabati Industries Ltd.

Jerambhai Seva Trust

V.B.Seva Trust

Circus Avenue Properties Pvt. Ltd.

Gojer Brothers Pvt. Ltd.

West Range Properties Pvt.Ltd.

Coopers Commodities Ltd.

Coopers Wealth Advisers Ltd.

33.2 Transactions during the year

Particulars	2018-19				2017-18			
	Directors	Key Management Personnel	Subsidiary	Others	Directors	Key Management Personnel	Subsidiary	Others
1. Revenue from operations	Nil	Nil	Nil	225.79	Nil	Nil	Nil	1,008.85
2. Other Income	Nil	Nil	Nil	95.83	Nil	Nil	Nil	1.20
3. Purchase/Material Consumed	Nil	Nil	Nil	629.55	Nil	Nil	Nil	674.01
4. Transport and handling	Nil	Nil	Nil	1.80	Nil	Nil	Nil	26.39
5. Payment to KMP	Nil	81.51	Nil	Nil	Nil	64.05	Nil	Nil
6. Rent	Nil	Nil	Nil	4.21	Nil	Nil	Nil	4.86
7. Professional Fees	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.40
8. Meeting fees	12.25	Nil	Nil	Nil	11.65	Nil	Nil	Nil
9. Loan taken	Nil	Nil	Nil	188.95	Nil	Nil	290.99	2,037.37
10. Advances given	Nil	Nil	Nil	27.20	Nil	Nil	Nil	36.25
11. Loan Repaid	Nil	Nil	280.37	340.63	Nil	Nil	Nil	162.10

33.3 Key Management Personnel compensation

Particulars	"For the year ended 31st March 2019"	"For the year ended 31st March 2018"
Short-term employee benefits	81.39	63.10
Post-employment benefits	0.12	0.95
Total compensation	81.51	64.05

35 Categories of Financial Assets & Financial Liabilities

As at 31st March 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	"Amortized Cost"	FVTPL	FVOCI	"Amortized Cost"
Financial Assets						
Investment						
- Equity Instruments		61.00			77.58	-
- Mutual Funds	-	-	-	-	-	-
Fixed Deposits with Banks(Maturing after 12 months)			506.92			13.62
Trade Receivables	-	-	1,394.23	-	-	1,768.74
Cash and Cash Equivalents	-	-	5.97	-	-	10.50
Bank Balance other than above	-	-	14.78	-	-	485.89
Total Financial Assets	-	61.00	1,921.90	-	77.58	2,278.75
Financial Liabilities						
Borrowings	-	-	15,451.31	-	-	13,573.93
Trade Payables	-	-	3,911.69	-	-	4,137.19
Other Financial Liabilities	-	-	523.92	-	-	812.30
Derivatives not designated as hedge	-	-	-	-	-	-
Total Financial Liabilities	-	-	19,886.92	-	-	18,523.42

Investment in subsidiary amounting to Rs 666.37 lakhs held at cost has been kept out of purview of financial asset.

36 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

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

Particulars	31st March 2019		31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade Receivables	1,394.23	1,394.23	1,768.74	1,768.74
Cash and Cash Equivalents	5.97	5.97	10.50	10.50
Bank Balance other than above	14.78	14.78	485.89	485.89
Loans to Employees	-	-	-	-
Loans to Related Parties	-	-	-	-
Security Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
Total Financial Assets	1,414.98	1,414.98	2,265.13	2,265.13
Financial Liabilities				
Borrowings	15,451.31	15,451.31	13,573.93	13,573.93
Trade Payables	3,911.69	3,911.69	4,137.19	4,137.19
Other Financial Liabilities	523.92	523.92	812.30	812.30
Total Financial Liabilities	19,886.92	19,886.92	18,523.42	18,523.42

Investment in subsidiary amounting to Rs 666.37 lakhs held at cost has been kept out of purview of financial asset.

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

36.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

36.4 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

36.5.1 The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

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

37 Fair Value Hierarchy

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

37.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

As at 31st March 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Equity Instruments	18.31		42.69	45.20		32.38
Derivative Instrument		6.85				
Total Financial Assets	18.31	6.85	42.69	45.20	-	32.38
Non Financial Asset						
-	-					
Total Non Financial Assets	-	-	-	-	-	-
Financial Liabilities						
Derivative Instrument					5.15	
Total Financial Liabilities	-	-	-	-	5.15	-
Non Financial liability						
-	-					
Total Non Financial Liabilities	-	-	-	-	-	-

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

37.3 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

37.3.1 Level 1 Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

37.3.2 Level 2 The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

37.3.3 Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

38 Financial Risk Management

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

38.1 Credit Risk

"The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels. Existing practice is to create allowances for doubtful debts on the basis of outstanding non-government dues for above three years subject to due recognition of ongoing negotiation for realisation of dues in this regard without creation of provision in respect of parties flexing on silverline towards recoverability of old dues. Government dues are generally considered recoverable."

a. Trade receivables

As on 31st March, 2019

Ageing schedule	0-365 days past due	366-730 days past due	Above 730 days past due
Gross carrying amount	1,129.36	170.02	113.72
Expected loss rate			
Expected credit losses (Loss allowance provision)	18.88		
Carrying amount of trade receivables (net of impairment)	1,110.48	170.02	113.72

As on 31st March, 2018

Ageing schedule	0-365 days past due	366-730 days past due	Above 730 days past due
Gross carrying amount	598.11	396.41	793.10
Expected loss rate			
Expected credit losses (Loss allowance provision)			18.88
Carrying amount of trade receivables (net of impairment)	598.11	396.41	774.22

Reconciliation of loss allowance provision –	Amount
Loss allowance on 31 March 2018	18.88
Changes in loss allowance	-
Loss allowance on 31 March 2019	18.88

38.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

38.2.1 Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

a	Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
	Non-derivative						
	Trade payables		2,880.95	164.94	831.21	34.59	3,911.69
	Borrowings			11,299.20		620.72	11,919.92
	Working Capital loans repayable on demand	3,531.29					3,531.29
	Other financial liabilities	523.92					523.92
	Total	4,055.21	2,880.95	11,464.14	831.21	655.31	19,886.82
	Derivative						
	Derivatives not designated as hedge						

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

	Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
	Non-derivative						
	Trade payables	553.75	2,411.34	364.88	807.22		4,137.20
	Borrowings						
	Working Capital loans repayable on demand	6,208.40					6,208.40
	Other financial liabilities	698.46					698.46
	Total	7,460.61	2,411.34	364.88	807.22		11,044.05
	Derivative						
	Derivatives not designated as hedge						

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

38.3 Market Risk

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

38.3.1 Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. The Company imports various raw materials viz. chemicals, drugs, API, packing materials viz. granules, items of stores and spares and capital goods as per its requirements from time to time and also borrows funds in foreign currencies. This results in foreign currency risk to the Company. Similarly, company's exports are also exposed to foreign currency risks.

For the Foreign Exchange exposures risk management, the Company's Policy is to adopt a flexible approach in hedging its risk. For this, the Company from time to time takes the view from banks and foreign exchange experts and based upon the same and also considering macro-economic factors, forms a view and whenever deemed necessary, hedges its foreign exchange risk. The hedging strategies are taken after careful study/ analysis of foreign exchange market to minimize to the extent possible, any effect of the fluctuation in foreign exchange rates.

a **Exposure to currency risk**

The Company's exposure to foreign currency risk unhedged exposures at the end of the reporting period expressed in INR, are as follows:

Particulars	31st March 2019		31st March 2018	
	USD	YEN	USD	YEN
Financial Assets				
Trade Receivables	71.99	-	227.84	23.26
Advances to Suppliers				
Bank Balance				
Net Exposure to foreign currency risk (assets)	71.99	-	227.84	23.26
Financial Liabilities				
Trade Payables	351.68		888.00	
Derivative Liabilities				
Derivatives not designated as hedge				
Export Bill Discounted	197.36		334.14	
Net Exposure to foreign currency risk (liabilities)	549.04	-	1,222.14	

Off Balance Sheet exposure(Derivative Contract)-hedged

Particulars	31st March 2019				31st March 2018			
	USD	EURO	GBP	TOTAL	USD	EURO	YEN	TOTAL
a Forward contract to purchase foreign currency	-	4.01	-	4.01	0.41	7.85	-	8.26
b Forward contract to sell foreign currency	16.82	-	0.61	17.43	17.29	-	-	17.29

b **Sensitivity Analysis**

A reasonably possible strengthening (weakening) of the INR against USD, YEN, EURO and GBP as at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit After Tax	Other Equity		Profit After Tax	Other Equity
USD Sensitivity (Increase)	5%	(23.85)		5%	(49.71)	
USD Sensitivity (Decrease)	5%	23.85		5%	49.71	
YEN Sensitivity (Increase)	5%	-		5%	1.16	
YEN Sensitivity (Decrease)	5%	-		5%	(1.16)	

38.3.2 Interest Rate Risk

"The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary. The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and Investments viz. mutual funds, bonds. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds."

a Exposure to interest rate risk

Particulars	31st March 2019	31st March 2018
Fixed Rate Instruments		
Financial Assets		
Financial Liabilities	4980.55	1185.43
Variable Rate Instruments		
Financial Assets		
Financial Liabilities		

b Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit After Tax	Other Equity		Profit After Tax	Other Equity
Interest amount Increase by	2%	(83.01)		2%	(23.71)	
Interest amount Decrease by	2%	83.01		2%	23.71	

38.3.3 Other Price Risk

The Company is exposed to equity price risk, in a meagre way with least possibility of any adverse impact on account of equity or debt instruments in profitability.

38.3.4 Capital Management

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

39 Impairment

The Company has not found any indication of impairment of the assets as per Ind AS 38 and accordingly no further exercise for calculating impairment loss has been undertaken.

40 Particulars of disclosure under section 186(4) of Companies Act,2013.The company has not made any investment or given any loan or furnished any guarantee attracting provision of section 186(4) of Companies Act,2013.

Outstanding investments under section 186(4) relates to investment of Rs 5.76 lakhs in West Range Properties Private Limited made during financial year 2016-17 appearing under Non Current Investment in financial statements.

41 New Standards/Amendments applied during the year in respect of Company Financial Statements:

a) INDAS-115 Revenue from Contracts with Customers (new)

Ind AS 115 supersedes INDAS 11, Construction Contracts & IND AS 18, Revenue. IND AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of IND AS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services

b) INDAS 12- Income Taxes (amendment) - Consideration of restrictive tax laws in sources of taxable profit and corresponding reversal of deductible temporary differences

c) IND AS 21- The effect of changes in Foreign Exchange Rates (amendment) - on... application of newly inserted appendix B pertaining to foreign currency transactions of non-monetary assets/liabilities.

The impact of the above new standards / amendments did not have material impact on the financial statements.

42 INSURANCE CLAIM

The company has been awarded by Honb'ble High Court of Calcutta entitlement of interest amounting to Rs. 4.14 crore in respect of a party, principal due from whom was awarded in company's favour by Honb'le Arbitrater in earlier financial year. Relevant income has been recognized during the year.

43 FLAX UNIT

Flax unit at Jaggadal caught accidental fire on 9th November, 2018 resulting in loss of inventories worth Rs. 22.51 crore for which claims have been lodged with Insurance company pending their assessment. Considering this relevant amount has been withdrawn from the inventories and shown under the head of "claims lodged against loss of inventories" forming part of operational income instead of accounting for as changes in inventories, work-in-progress and stock in trade without recognising any revenue implication pending settlement by insurance company.

44 The company ,inter-alia, is dealing in securities to gear up its trade for which its investments costing Rs.121.53 lakhs have been transferred to inventories from Non- current investment as on 15.02.2019. considering this, principle laid down under IND AS 2 read with accounting policies of the company to the effect of carrying inventory at lower of cost and realizable value has been followed by way of retaining residual securities of Rs 8.10lacs at year end in terms of original cost.

Domestic sale includes Rs. 1281.73 lacs (previous year Rs.Nil) pertaining to relevant inventories.

45 "333 number of plant & equipments worth Rs.383.26 lacs in terms of WDV, gross block and accumulated depreciation thereon being Rs.1543.16 lacs and Rs.1159.9 lacs respectively as on 01.04.2018, have been de-assembled in components constituting relevant plant and equipments by way of de-capitalisation from corresponding heads of accounts to capital work in progress for future usage of the components in construction of plants and equipments congenial to productive exigencies. According to fair valuation of relevant components, as assessed by technical department, no impairment provision is warranted thereon as per clause 18 of INDAS 36."

46 INFORMATION PURSUANT TO IND AS 115

		2018-19	2017-18
a.	<u>Breakup of Sales:</u>		
	JUTE PRODUCTS		
i.	HESSIAN	2,178.74	2,334.51
ii.	SACKING	4,076.83	5,190.69
iii.	YARN	964.84	1,153.54
IV	WIDE HESSIAN	605.16	883.02
	SCRAP SALES	234.64	26.23
	OTHERS	1,281.73	787.25
	TOTAL	9,341.94	10,375.24
b.	FLAX PRODUCTS		
i.	FLAX GOODS	444.70	498.55
ii.	RAW MATERIAL	200.45	185.40
iii.	NOILS & WASTE	23.02	28.10
	SCRAP SALES	1.08	
	TOTAL	669.25	712.05
	GROSS SALES OF JUTE & FLAX	10,011.19	11,087.29
	EXPORT INCENTIVE	242.64	340.33
	OTHERS	2,931.36	1,369.57
	less: commission paid	(11.57)	(15.50)
	NET SALES	13,173.62	12,781.69

Geographical destination of sales:

		2018-19		2017-18	
		JUTE	FLAX	JUTE	FLAX
I.	DOMESTIC	5,170.46	669.25	5,802.13	712.05
II.	EXPORT(COUNTRY WISE)				
	UKRAINE	38.33	-	34.88	-
	SOUTH AFRICA	36.54	-	57.90	-
	IVOIRE COAST	22.47	-	47.67	-
	CHILE	114.47	-	139.45	-
	UNITED KINGDOM	515.16	-	522.09	-
	ECUADOR	58.56	-	54.46	-
	GERMANY	18.51	-	187.17	-
	NEW ZEALAND	20.17	-	-	-
	SINGAPORE	47.48	-	87.14	-
	KOREA	11.73	-	10.84	-
	POLAND	44.40	-	-	-
	SWITZERLAND	5.45	-	25.55	-
	CANADA	447.26	-	379.58	-
	MOROCCO	89.80	-	139.77	-
	ITALY	68.11	-	110.86	-
	AUSTRALIA	292.94	-	524.08	-
	SWEDEN	35.83	-	9.76	-
	AUSTRALIA/NEWZEALAND	20.04	-	-	-
	CHINA	0.70	-	-	-
	UAE	15.14	-	-	-
	ARGENTINA	15.91	-	105.16	-
	JAPAN	844.01	-	955.31	-
	USA	126.75	-	369.86	-
	GREECE	-	-	10.97	-
	GAMBIA	-	-	13.35	-
	EXPORT SALES	2,889.75	NIL	3,785.86	NIL

OTHER SALES	2018-19	2017-18
INSURANCE CLAIMS	2,665.94	52.92
PROCESSING CHARGES(FLAX)	51.72	-
LIQUIDATED DAMAGE	210.00	-
SUBSIDY	3.70	11.31
JOINT VENTURE INCOME	-	1,305.34
	2,931.36	1,369.57
	2018-19	2017-18
DOMESTIC SALES	7,121.44	7,301.43
EXPORT SALES	2,889.75	3,785.86
EXPORT INCENTIVE	242.64	340.33
OTHERS	2,931.36	1,369.57
TOTAL SALES	13,185.19	12,797.19
LESS COMMISSION	(11.57)	(15.50)
NET SALES	13,173.62	12,781.69

Major Distribution Channels Relate to Overseas, Govt. & Institutional Buyers

Previous years figures have been regrouped and rearranged wherever necessary.

Auditors' Report on the Abridged Consolidated Financial Statements

To the Members of
AI Champdany Industries Limited

The accompanying abridged Consolidated financial statements, which comprise the abridged Consolidated Balance Sheet as at March 31, 2019, the abridged Consolidated statement of Profit & Loss, and Cash Flow Statement for the year then ended, and related notes, are derived from the audited Consolidated financial statements of AI Champdany Industries Limited for the year ended March 31, 2019. Those financial statements, and the abridged Consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those Consolidated financial statements. The abridged Consolidated financial statements do not contain all the disclosures required by the Accounting Standards referred to in section 133 of the Companies Act, 2013 ("the Act") [applied in the preparation of the audited Consolidated financial statements of AI Champdany Industries Limited]. Reading the abridged Consolidated financial statements, therefore, is not a substitute for reading the audited Consolidated financial statements of AI Champdany Industries Limited.

2. Management's Responsibility for the Abridged Financial Statements.

Management is responsible for the preparation of the audited Consolidated financial statements in accordance with [Accounting Standards referred to in section 133 of the Companies Act, 2013. ("the Act) and accounting principles generally accepted in India].

3. Auditor's Responsibility

Our responsibility is to express an opinion on the abridged Consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

4. Opinion

In our opinion the abridged Consolidated financial statements derived from the audited financial statements of AI Champdany Industries Limited for the year ended March 31, 2019, are fair summary of those Consolidated financial statements, in accordance with Accounting Standards referred to in of section 133 of the Companies Act, 2013 ("the Act") and accounting principles generally accepted in India.

For G Basu & Co.
Chartered Accountants
FRN 301174E
G Guha
Partner
Membership No: 054702

Place : Kolkata

Date: 13th June, 2019

AI CHAMPDANY INDUSTRIES LIMITED
ABRIDGED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(Statement containing salient features of the Consolidated Balance Sheet as per Section 136 (I) of the Companies Act, 2013)

Rs. in lacs

	As at 31 March 2019	As at 31 March 2018
	ASSETS	
(I)	Non - Current Assets	
	6,521.27	6,005.70
	1,195.49	1,310.12
	753.39	753.39
	3.16	3.16
	77.55	95.16
	506.92	13.62
	69.75	71.51
	9,127.53	8,252.66
(II)	Current Assets	
	14,728.76	15,622.01
	71.71	62.30
	1,554.09	2,012.11
	54.69	10.56
	14.78	485.89
	213.06	237.61
	4,044.09	1,470.94
	119.94	84.62
	739.08	582.44
	21,540.20	20,568.48
	30,667.73	28,821.14
	EQUITY AND LIABILITIES	
	1,537.69	1,537.69
	6,389.21	6,381.24
	7,926.90	7,918.93
	159.07	-
	8,085.97	7,918.93
	LIABILITIES	
I	Non - Current Liabilities	
	11,909.30	7,074.54
	184.73	184.76
	82.72	195.37
	12,176.75	7,454.67
II	Current Liabilities	
	3,531.39	6,208.40
	4,263.76	4,613.51
	403.10	781.59
	465.24	480.94
	1,741.52	1,363.10
	10,405.01	13,447.54
	30,667.73	28,821.14

Refer Accounting Policies and Notes forming part of the Abridged Consolidated Accounts.

Compiled from the Audited Consolidated Balance Sheet of the Company referred to in our report of even date.

On behalf of the Board

For G.Basu & Co.
Chartered Accountants
FRN 301174E

G Goswami
Director

G Guha
Partner
Membership No.054702
Kolkata, 13 June 2019

Pintu Singh
Company Secretary &
Compliance Officer

Lalanjee Jha
Chief Financial Officer

N. Pujara
Managing Director

Note: Complete Consolidated Balance Sheet, Statement of Consolidated Profit and Loss, other Consolidated statements and Consolidated Notes thereto prepared as per the requirements of Schedule III to the Companies Act, 2013 are available at the Company's Website at www.jute-world.com

AI CHAMPDANY INDUSTRIES LIMITED

ABRIDGED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

(Statement containing salient features of the Statement of Consolidated Profit and Loss as per Section 136 (I) of the Companies Act,2013)

Rs. in lacs

		2018-19	2017-18
I	Revenue from Operations	13,183.66	13,223.33
II	Other Income	969.19	828.38
III	Total Income	14,152.85	14,051.71
IV	EXPENSES		
	Cost of Materials Consumed	5,217.21	6,156.23
	Purchase of Stock-in- Trade	116.85	815.74
	Changes in Inventories of Finished Goods, Work-in Progress and Stock in Trade	822.09	(2,397.58)
	Employee Benefits Expense	4,241.12	4,961.43
	Finance Cost	1,051.45	1,177.37
	Depreciation and Amortization Expenses	392.57	413.84
	Other Expenses	2,178.11	2,679.21
	Total Expenses	14,019.40	13,806.24
V	Profit/(Loss) Before Exceptional Items and tax	133.45	245.47
VI	Exceptional Items	-	-
VII	Profit/(Loss) Before Tax	133.45	245.47
VIII	Tax Expenses		
	Current Tax	67.96	87.23
	MAT Credit Available	(0.99)	
	Adjustment relating to earlier years (Taxes)	-	(59.27)
	Deferred Tax (Asset)	(112.90)	17.26
IX	Profit/(Loss) for the year	179.38	200.25
X	Other Comprehensive Income		
	i) Items that will be reclassified to profit/(loss)	-	-
	ii) Tax relating to Items that will be reclassified to profit/(loss)	-	-
	iii) Items that will not be reclassified to profit/(loss)	(198.32)	(237.29)
	iv) Tax relating to Items that will not be reclassified to profit/(loss)	66.71	77.79
	Total other comprehensive income	(131.61)	(159.50)
XI	Total Comprehensive Income	47.77	40.75
	Net profit attributable to:		
	Owners of the Holding Company	179.02	200.25
	Non-controlling interest	0.36	-
	Other comprehensive income attributable to:		
	Owners of the Holding Company	(131.61)	(159.50)
	Non-controlling interest	-	-
	Total comprehensive income attributable to:		
	Owners of the Holding Company	47.41	40.75
	Non-controlling interest	0.36	-
XII	Earnings per share (face value of Rs 5 each)		
	Basic and Diluted (Rs)	0.61	0.67

Refer Accounting Policies and Notes forming part of the Abridged Consolidated Accounts.

Compiled from the Audited Statement of Consolidated Profit and Loss of the Company referred to in our report of even date.

On behalf of the Board

For G.Basu & Co.
Chartered Accountants
FRN 301174E

G Goswami
Director

G Guha
Partner
Membership No.054702
Kolkata, 13 June 2019

Pintu Singh
Company Secretary &
Compliance Officer

Lalanjee Jha
Chief Financial Officer

N. Pujara
Managing Director

AI CHAMPDANY INDUSTRIES LIMITED
ABRIDGED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

	2018-19	2017-18
1 Cash flow from operating activities	143.88	2,841.77
2 Cash flow from investing activities	(186.49)	(131.09)
3 Cash flow from financing activities	(2,216.80)	(991.44)
4 Net increase/(decrease) in cash and cash equivalents	(2,259.41)	1,719.24
5 Cash and cash equivalents at the beginning of period	(6,197.84)	(7,917.08)
6 Cash and cash equivalents at the end of period	(3,476.70)	(6,197.84)

Rs. in lacs

Compiled from the Audited Consolidated Cash Flow Statement of the Company referred to in our report of even date.

On behalf of the Board

For G.Basu & Co.
Chartered Accountants
FRN 301174E

G Goswami
Director

G Guha
Partner
Membership No.054702
Kolkata, 13 June 2019

Pintu Singh
Company Secretary &
Compliance Officer

Lalanjee Jha
Chief Financial Officer

N. Pujara
Managing Director

AI CHAMPDANY INDUSTRIES LIMITED

NOTES TO ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS AS ON AND FOR THE YEAR ENDED 31ST MARCH 2019

1. Significant Accounting Policies to the Abridged Financial Statements for the year ended 31st March 2019

1.1. CORPORATE AND GENERAL INFORMATION

The Parent Company, AI Champdany Industries Ltd. ("the Company") is a public limited company domiciled in India and has its listing on the BSE Limited and National Stock Exchange of India. The company assumed its present status including name in 2006 after series of merger, the oldest of the parties to merge being Champdany Jute Company Ltd. established in 1873. The Company belongs to a renowned industrial house of Kolkata, the "Wadhwa Group" which took over controlling stake in 1967 from foreign management. The registered office of the Company is situated in Kolkata. The Company's principal business is manufacturing and trading of jute products. The parent has only one subsidiary named Champdani Constructions Limited. The group has no associate or jointly controlled entity.

2. BASIS OF PREPARATION & PRESENTATION OF FINANCIAL STATEMENT

2.1. Statement of Compliance

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

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet since 1st April, 2016 i.e the "First Time Adoption of Indian Accounting Standards" under INDAS-101.

2.2. Basis of Measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities are measured at Fair value/ Amortised cost (refer accounting policy regarding financial instruments);
- Derivative Financial Instruments are measured at fair value;
- Defined Benefit Plans – plan assets are measured at fair value.

2.3. Functional and Reporting Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in INR has been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4. Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

2.5. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division-II of Schedule III to the Companies Act, 2013 ("the Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, and various stipulation of Ind AS are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

2.6. Operating Cycle for current and non-current classification

All assets and liabilities have been classified as current and non-current depending on the Company's normal

operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7. Measurement of Fair Values

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs of lowest level that is significant to fair value measurement are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs of lowest level that is significant to fair value measurement are unobservable for the asset or liability.

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

Transfer of assets and liabilities (recognized on recurring basis), if occurs between the levels of hierarchy are determined by re-assessing categorization (based on lowest level input that is significant for fair value measurement as a whole) at the end of each reporting period.

The company determines policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value and non-recurring measurement such as assets held for distribution in discontinued operation.

2.8. PRINCIPLES OF CONSOLIDATION:

- (a) Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from investment with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from that date that control ceases.
- (b) Proportionate Networth of Subsidiaries belonging to minority Shareholders is accounted for under non controlling interest.
- (c) The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income & expenses. Intercompany transactions, balances & unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides the evidence of an impairment of the transferred asset. Accounting policies of subsidiary has been changed where necessary to ensure consistency with the policies adopted by the group.
- (d) Consolidated herein is the accounts of Champdany Construction Ltd., a wholly owned subsidiary is situated at 33,Chittaranjan Avenue ,Kolkata- 700012

3. ACCOUNTING POLICIES

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

3.1. INVENTORIES

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of sale.

Cost formulae are as follows:

Particulars	Cost Formula
Raw Material, Consumable Stores & Spares, Stock-in-trade	Weighted average basis. On FIFO basis
Finished Goods & Work-in-Progress	At cost of input (on FIFO basis) plus labour and related manufacturing overhead including depreciation.
Scrap Materials	At net realizable value.
Securities	On FIFO basis

3.2. CASH AND CASH EQUIVALENTS

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

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investments, net of bank overdrafts as they are considered an integral part of the Company’s cash management. However, Bank overdrafts are shown within short term borrowings in the balance sheet.

3.3. INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognised in the statement of profit & loss, except to the extent that these relate to items recognised in other comprehensive income or directly attributable to equity. In these cases, the tax is also recognised in other comprehensive income or in statement of change in equity, respectively.

3.3.1. Current Tax:

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates applicable to the reporting period.

3.3.2. Deferred Tax

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

3.4. PROPERTY, PLANT AND EQUIPMENT

3.4.1. Tangible Assets

3.4.1.1. Recognition and Measurement:

- Property, plant and equipment & Investment Property have been carried under cost model.
- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet under cost model i.e. cost, less any accumulated depreciation and accumulated impairment losses (if any), except for freehold land which are carried at historical cost.
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. Such costs include borrowing cost if recognition criteria are met.
- If significant parts of an item of property, plant and equipment including their major components have different useful lives, then they are accounted for as separate items of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.1.2.Subsequent Measurement:

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.1.3.Depreciation and Amortization:

- Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In case the cost of part of tangible asset is significant to the total cost of the asset and useful life of that part is different from the remaining useful life of the asset, depreciation is provided thereon on straight line method based on internal assessment and independent technical evaluation carried out by external valuer.
- Depreciation on additions/disposals during the year is provided on pro-rata basis depending on the usage period of asset since/upto the date of installation/disposal.
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.1.4.Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.4.1.5.Capital Work in Progress

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

3.5. LEASES

3.5.1. Any transfer under an arrangement of lease virtually endowing the lessee to utilize the property as if his own property for a specified period (including renewal thereon by convention or express stipulation in lease agreement itself) is treated as finance lease.

No lease deal in which the company is a party as lessor is recognized as finance lease unless lease period is by an large commensurate with the life span of the assets given on lease in terms of schedule II of the Companies Act, 2013.

Lease arrangement of any other nature is treated as operating lease.

3.5.2. In case of finance lease, the value of concerned noncurrent assets / liability is determined at the point of commencement of lease by way of adding initial payment with discounted value of future lease installment during life span of lease in terms of interest rate implicit in the lease or incremental borrowing rate, if the former is not practicable to determine.

3.5.3. Expenses/Income under operating lease are more or less same as that of rental income/payment accounted for on accrual basis unless an escalation clause forms integral part of lease agreement in which case income booking is appropriately averaged.

3.5.4. Depreciation on leasehold assets is provided on straight line method over the period of lease.

3.6. RECOGNITION OF INCOME AND EXPENSES

3.6.1. Revenue from Contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

3.6.2. Sale of Products:

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of products is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

3.6.3. Sales are measured at the fair value of consideration received or receivable. Sales recognized is net of GST, intermediary sales, rebates.

3.6.4. Dividend for distribution is accounted for at the point of approval by relevant authority with due disclosure in financial statements of dividend declared/recommended/proposed pending distribution.

3.6.5. Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

3.6.6. Dividend income is accounted when the company's right to receive the payment is established, which is generally when the appropriate authority approves the dividend.

3.7. EMPLOYEE BENEFITS

3.7.1.Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2.Other Long Term Employee Benefits

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

3.7.3.Post Employment Benefits

The Company operates the following post employment schemes:

➤ Defined Contribution Plan

Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

➤ Defined Benefit Plans (Gratuity)

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the

reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

3.8. GOVERNMENT GRANTS

Government grants are recognized at their fair value, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The grant relating to the acquisition/ construction of an item of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on the same systematic basis as the respective assets are depreciated over their expected life and are presented within other operating income.

Alternatively, the same can be presented by deducting the grant from the carrying amount of the asset.

3.9. FOREIGN CURRENCY TRANSACTIONS

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

3.10. BORROWING COSTS

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.11. FINANCIAL INSTRUMENTS

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

3.11.1. Financial Assets

- Recognition and Initial Measurement:
All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at

fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition as financial assets measured at fair value or financial assets at amortized cost.

➤ Classification and Subsequent Measurement:

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

- o Measured at Amortized Cost;
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Equity Instruments designated at Fair Value Through Other Comprehensive Income (FVTOCI).

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

- o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met:
 - Business Model Test
 - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
 - Cash Flow Characteristic Test.
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company.

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

o Business Model Test:

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

o Cash Flow Characteristic Test:

- The asset's contractual cash flows represent SPPI.

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

- o Measured at FVTPL: FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.
- o Equity Instruments designated at FVTOCI: For equity instruments, which has not been classified as FVTPL as above, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ **Derecognition:**

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

➤ **Impairment of Financial Assets:**

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

3.11.2. Financial Liabilities

➤ **Recognition and Initial Measurement:**

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

➤ **Subsequent Measurement:**

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

➤ **Financial Guarantee Contracts:**

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

➤ **Derecognition:**

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

3.11.3. Offsetting financial instruments

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

3.11.4. Derivative financial instruments:

The Company deals in derivative financial instruments viz. foreign exchange forward contracts, to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

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

3.12.Earnings Per Share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

3.13.Impairment of Non-Financial Assets

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

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14.Provisions, Contingent Liabilities and Contingent Assets

3.14.1.Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.14.2.Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.14.3.Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.15.Intangible Assets

3.15.1. Intangible Assets are initially recognized at:-

- 1) In case the assets are acquired separately, then at cost
- 2) In case the assets are acquired in a business combination then at fair value.
- 3) In case the assets are internally generated then at capitalized development cost subject to satisfaction of criteria of recognition (identifiability, control and future economic benefit) laid down from clause 11 to 17 of INDAS 38.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment loss. Research costs are recognized as expense in the period in which it is incurred.

3.15.2. Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. Intangible assets with infinite useful life including goodwill are tested for impairment annually.

- 3.15.3. Intangible assets with finite useful life are amortized over the useful economic life on a straight line basis.
- 3.15.4. Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.16. Non-Current Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised.

3.17. Operating Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified two reportable segments i.e. Jute/Jute diversified products & Services & ‘flax products’ based on the information reviewed by the CODM

3.18. Business Combination under INDAS-103 and Consolidation under INDAS-110

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group control an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. The Group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from other contractual arrangements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income (“OCI”)) of subsidiaries acquired or disposed of during the period are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intercompany transactions, balances and un-realized gains/losses on transactions between group Companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The stake of outside shareholders in equity (including reserves and surplus) of subsidiaries appear under the head of non-controlling interest in terms of their proportionate stake in equity.

4. RECENT ACCOUNTING PRONOUNCEMENT ENTAILING INSERTION/MODIFICATION OF NEW/EXISTING STANDARDS

- a. IND AS 116, Lease Accounting – Newly inserted in supersession of IND AS 17 relating to treatment of lease-financial as well as operating.
- b. INDAS 12, Income taxes- on application of appendix C on uncertainty over income tax treatments.
- c. INDAS 23, Borrowing Costs- Laying down specific borrowing costs to be considered for capitalization.
- d. INDAS 109, Financial Instruments- On treatment of prepayment features with negative compensation.
- e. IND AS 19, Employee Benefits- Dealing with plan amendment, curtailment or settlement pertaining to defined benefit plan.

5. SIGNIFICANT JUDGEMENTS AND KEY SOURCES OF ESTIMATION IN APPLYING ACCOUNTING POLICIES

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be

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

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Financial Assets:** The Company reviews its carrying value of investments carried at amortized cost or fair value annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Sales Return:** The Company accounts for sales returns accrual by recording an allowance for sales returns concurrent with the recognition of revenue at the time of a product sale. This allowance is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates.

AI CHAMPDANY INDUSTRIES LIMITED

CIN No.L51909WB1917PLC002767

Notes to Abridged Consolidated Financial Statements as on and for the year ended 31st March, 2019

26 Contingent Liabilities, Contingent Assets & Commitment to the extent not provided for:

26.1 **Contingent Liabilities (not provided for)**

Rs. in Lacs

Sl. No.	Particulars	Forum where the disputes are pending	"As at 31st March 2019"	"As at 31st March 2018"
(a)	Claims/Disputes/Demands not acknowledged as debts:-			
	i. Income Tax Matters	CIT(Appeal)	1,250.50	1,248.37
	ii. Commercial Tax Matters	ACCT,WBCTA & RB SJCCT	275.59	292.62
	iii. Others	CESTAT,ESI Court,Review Board	718.68	718.68
(b)	Indication of uncertainty in timing		Unascertainable	
(c)	Indication of uncertainty in out flow		Unascertainable	
(d)	Possibility of any re-imbursement		Unascertainable	

26.2 Commitments

Sl. No.	Particulars	"As at 31st March 2019"	"As at 31st March 2018"
i.	Estimated amount of contracts remaining to be executed on Capital Account	-	-
ii.	Bank Guarantees		
a.	Bank Guarantees	262.54	806.79
b.	Bank Guarantees issued on pledge of shares by other companies.	432.54	432.54
iii.	Bill Discounted	197.36	334.07

27 Arrears of dividend on Cumulative Preference Shares (including dividend distributions tax)

Particulars	"As at 31st March 2019"	"As at 31st March 2018"
Arrears Dividend (DDT) on cumulative preference shares	134.55(including DDT of Rs. 22.75 lakhs)	119.61 (including DDT of Rs.20.23 lakhs)

28 (a) Assets pledge as security

The carrying amounts of assets pledged as security for current are:

Particulars	Refer Note No.	"As at 31st March 2019"	"As at 31st March 2018"
Current			
Financial assets			
First charge			
Trade Receivables		1554.09	2012.11
Non-financial assets			
First charge			
Inventories		14728.76	15622.01
Total current assets pledged as security		16,282.85	17,634.12
Non-current			
Second Charge			
Freehold land		2179.18	2179.18
Plant & machinery		3057.77	2705.35
Freehold buildings		1240.76	1075.03
Total non-currents assets pledged as security		6,477.71	3,254.21
Total assets pledged as security		22,760.56	20,888.33

(b) Fair value of Investment Property costing Rs 753.39 Lakhs in each 2 financial years under reference works out to Rs 36420.15 Lakhs in terms of last valuation report which is subject to revaluation in each 5 years.

(c) Identification of Micro & Small enterprises within the meaning of MSMED Act 2006 have been made on the basis of disclosure to the effect in invoices & challan by the vendor as mandated .No such vendors has been found to dealing in with the company so as to make disclosures thereon.

29 Ind AS 17-Leases
 29.1 Financial Lease (Lessee)
 29.1.1 For each class of asset

Carrying amount	"As at 31st March 2019"	"As at 31st March 2018"
Leasehold Land	25.63	26.21

29.1.2 Reconciliation between the total future minimum lease payments and their present value.(financial lease)
 For each class of asset

Particulars	"As at 31st March 2019"		"As at 31st March 2018"	
	MLP	PV	MLP	PV
Within 1 year	0.14	0.03	0.14	0.03
Between 1 to 5 years	0.54	0.09	0.54	0.10
After 5 years	5.30	0.20	5.44	0.22
Total minimum lease payments	5.98	0.32	6.12	0.35
Less: amounts representing finance charges	5.66		5.77	
Present value of minimum lease payments	0.32		0.35	

30. Defined Contribution Plan:

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

Sl. No.	Particulars	For the year ended 31st March 2019"	For the year ended 31st March 2018"
a	Provident Fund	89.11	79.47
b	Pension Fund	267.32	270.61
c	E.S.I.	179.88	183.18

30.1 Defined Benefit Plan:

The following are the types of defined benefit plans

30.1.1 Gratuity Plan

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. The present value of defined obligation and related current cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at Balance Sheet date.

30.1.2 Provident Fund

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

30.1.3 Risk Exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

ASSET VOLATILITY	The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The group intends to maintain the above investment mix in the continuing years.
CHANGES IN BOND YIELDS	A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
INFLATION RISKS	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
LIFE EXPECTANCY	The pension and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

30.1.4 Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	2,241.34	2,452.88
Current Service Cost	100.33	64.86
Interest Cost on Defined Benefit Obligation	152.11	153.33
Actuarial Gain and Losses arising from		
Changes in demographic assumptions		
Changes in financial assumptions	(137.62)	540.74
Experience Adjustment	314.52	(277.20)
Benefits Paid from the Plan Assets	(431.28)	(693.27)
Balance at the end of the year	2,239.40	2,241.34

30.1.5 Reconciliation of the Plan Assets

The following table shows a reconciliation from the opening balances to the closing balances for the Plan Assets and its components:

Particulars	Gratuity	
	2018-19	2017-18
Balance at the beginning of the year	1,117.12	1,681.38
Interest Income on Plan Assets	67.61	97.17
Remeasurement of Defined Benefit Obligation:		
Return on plan assets greater/ (lesser) than discount rate	(24.00)	31.84
Employer Contributions to the Plan		
Benefits Paid from the Plan Assets	(431.28)	(693.27)
Balance at the end of the year	729.45	1,117.12

30.1.6 Expenses recognized in profit or loss

Particulars	Gratuity	
	2018-19	2017-18
Current Service Cost	100.33	64.86
Interest Cost	152.10	153.33
Interest Income on Plan Assets	67.61	97.17

30.1.7 Remeasurements recognized in other comprehensive income

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (gain)/ Loss on defined benefit obligation	176.89	263.52
Return on plan assets greater/ (lesser) than discount rate	24.00	(31.84)

30.1.8 Asset-Liability Matching Strategy

"The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. The company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets."

30.1.9 Actuarial Assumptions

Particulars	Gratuity	
	2018-19	2017-18
Financial Assumptions		
Discount Rate	7.3	7.5
Salary Escalation Rate	5.5	6.5
Demographic Assumptions		
Mortality Rate	IALM(2006-08)	IALM(2006-08)
Withdrawal Rate	4.2	4.2

30.1.10 The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

30.1.11 Employee Benefit Expense also includes provident funds in the nature of defined benefit plans contribution amounting to Rs. 4241.12 lakhs (previous year Rs. 4961.43 lakhs)

30.1.12 Sensitivity Analysis

The sensitivity analyses below have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	Gratuity	
	2018-19	2017-18
Effect on DBO due to 1% increase in Discount Rate	2090.83	2109.34
Effect on DBO due to 1% decrease in Discount Rate	2414.21	2396.86
Effect on DBO due to 1% increase in Salary Escalation Rate	2415.50	2395.08
Effect on DBO due to 1% decrease in Salary Escalation Rate	2087.14	2107.48
Effect on DBO due to 50% increase in Withdrawal Rate	2244.12	2246.96
Effect on DBO due to 50% decrease in Withdrawal Rate	2239.45	2240.36
Effect on DBO due to 10% increase in Mortality Rate	2242.64	2244.29
Effect on DBO due to 10% decrease in Mortality Rate	2240.97	2243.20

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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

Company has not incurred any obligation on account of Corporate Social Responsibility till end of current financial year within the meaning of Sec 135 of Companies Act,2013

32 Related Party Disclosures

32.1 Related parties with whom transactions have taken place during the year and previous year are:

(A) Key Management Personnels

Mr. Nirmal Pujara
 Mr. Umesh Kumar Keshri(upto 27.06.18)
 Mr. Lalanjee Jha(from 02.07.18)
 Mr. Binod Kumar Chowdhury(Upto 11.05.19)
 Mr. Pintu Singh(From 13.06.19)

(B) Directors

Mr.D J Wadhwa,Chairman(upto 13.08.18)
 Dr.G Goswami,Chairman(from 14.08.18)
 Mr.Harbhajan Singh(upto 13.08.18)
 Mr.SM Palia(upto 13.08.18)
 Mr.B Wadhwa(upto 09.03.19)
 Ms.Ramya Hariharan

(C) Others (Entities under significant influence)

Landale & Clerk Ltd
 G Jerambhai Exports Ltd
 Gunny Dealers Ltd
 Libra Exporters Ltd
 Libra Transport Ltd
 Macgregor & Balfour India Ltd.
 Jessor Industries (India) Ltd.
 Naffar Chandra Jute Mills Ltd.
 Baidyabati Industries Ltd.
 Jerambhai Seva Trust
 V.B.Seva Trust
 Circus Avenue Properties Pvt. Ltd.
 Gojer Brothers Pvt. Ltd.
 West Range Properties Pvt.Ltd.
 Coopers Commodities Ltd.
 Coopers Wealth Advisers Ltd.
 Coopers Capital Markets Ltd

32.2 Transactions during the year

Particulars	2018-19			2017-18		
	Directors	Key Management Personnel	Others	Directors	Key Management Personnel	Others
1. Revenue from operations	Nil	Nil	225.79	Nil	Nil	1,008.85
2. Other Income	Nil	Nil	95.83	Nil	Nil	1.20
3. Purchase/Material Consumed	Nil	Nil	629.55	Nil	Nil	674.01
4. Transport and handling	Nil	Nil	1.80	Nil	Nil	26.39
5. Payment to KMP	Nil	81.51	NIL	Nil	64.05	Nil
6. Rent	Nil	Nil	4.21	Nil	Nil	4.86
7. Professional Fees	Nil	Nil	NIL	Nil	Nil	0.40
8.Meeting fees	12.28	Nil	NIL	11.65	Nil	Nil
9.Loan taken	Nil	Nil	188.95	Nil	Nil	2,037.37
10.Advances given	Nil	Nil	180.51	Nil	Nil	37.27
11.Loan Repaid	Nil	Nil	340.63	Nil	Nil	170.46

32.3 Key Management Personnel compensation

Particulars	"For the year ended 31st March 2019"	"For the year ended 31st March 2018"
Short-term employee benefits	81.39	63.10
Post-employment benefits	0.12	0.95
Total compensation	81.51	64.05

35 Categories of Financial Assets & Financial Liabilities

As at 31st March 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	FVTPL	FVOCI	"Amortized Cost"	FVTPL	FVOCI	"Amortized Cost"
Financial Assets						
Investment						
- Equity Instruments			-		157.90	-
Fixed Deposit with Banks(Maturing after 12 months)			506.92			13.62
Trade Receivables	-	-	1,554.09	-	-	2,012.11
Cash and Cash Equivalents	-	-	54.69	-	-	10.56
Bank Balance other than above	-	-	14.78	-	-	485.89
Total Financial Assets	-	-	1,623.56	-	157.90	2,522.18
Financial Liabilities						
Borrowings	-	-	15,440.69	-	-	13,282.94
Trade Payables	-	-	4,263.76	-	-	4,613.51
Other Financial Liabilities	-	-	587.83	-	-	895.43
Derivatives not designated as hedge	-	-	-	-	-	-
Total Financial Liabilities	-	-	20,292.28	-	-	18,791.88

Investment in subsidiary amounting to Rs 812.20 lakhs held at cost has been kept out of purview of financial asset.

36 Fair Values of Financial Assets and Financial Liabilities measured at Amortised Cost

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

Particulars	31st March 2019		31st March 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade Receivables	1,554.09	1,554.09	2,012.11	2,012.11
Cash and Cash Equivalents	54.69	54.69	10.56	10.56
Bank Balance other than above	14.78	14.78	485.89	485.89
Loans to Employees	-	-	-	-
Loans to Related Parties	-	-	-	-
Security Deposits	-	-	-	-
Other Financial Assets	-	-	-	-
Total Financial Assets	1,623.56	1,623.56	2,508.56	2,508.56
Financial Liabilities				
Borrowings	15,440.69	15,440.69	13,282.40	13,282.40
Trade Payables	4,263.76	4,263.76	4,613.51	4,613.51
Other Financial Liabilities	587.83	587.83	895.43	895.43
Total Financial Liabilities	20,292.28	20,292.28	18,791.34	18,791.34

Investment in subsidiary amounting to Rs 666.37 lakhs held at cost has been kept out of purview of financial asset.

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

36.3 For Financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

36.4 The fair value of the financial assets and financial liabilities is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

36.5.1 The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risks, which has been assessed to be insignificant.

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

37 Fair Value Hierarchy

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

37.1 Assets and Liabilities measured at Fair Value - recurring fair value measurements

As at 31st March 2019 and 31st March 2018

Particulars	31st March 2019			31st March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment						
- Equity Instruments	90.02		59.22	45.20		112.70
Derivative Instrument		6.85				
Total Financial Assets	90.02	6.85	59.22	45.20	-	112.70
Non Financial Asset						
Total Non Financial Assets	-	-	-	-	-	-
Financial Liabilities						
Derivative Instrument					5.15	
Total Financial Liabilities					5.15	
Non Financial liability						
Total Non Financial Liabilities	-	-	-	-	-	-

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

37.3 Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

37.3.1 Level 1 Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

37.3.2 Level 2 The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

37.3.3 Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

38 Financial Risk Management

Financial management of the Company has been receiving attention of the top management of the Company. The management considers finance as the lifeline of the business and therefore, financial management is carried out meticulously on the basis of detailed management information systems and reports at periodical intervals extending from daily reports to long-term plans. Importance is laid on liquidity and working capital management with a view to reduce over-dependence on borrowings and reduction in interest cost. Various kinds of financial risks and their mitigation plans are as follows:

38.1 Credit Risk

"The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels. Existing practice is to create allowances for doubtful debts on the basis of outstanding non-government dues for above three years subject to due recognition of ongoing negotiation for realisation of dues in this regard without creation of provision in respect of parties flexing on silverline towards recoverability of old dues. Government dues are generally considered recoverable."

a. Trade receivables

As on 31st March, 2019

Ageing schedule	Not due	0-365 days past due	366-730 days past due	Above 730 days past due
Gross carrying amount		1,289.22	170.02	113.72
Expected loss rate				
Expected credit losses (Loss allowance provision)				18.88
Carrying amount of trade receivables (net of impairment)		1,289.22	170.02	94.84

As on 31st March, 2018

Ageing schedule	Not due	0-365 days past due	366-730 days past due	Above 730 days past due
Gross carrying amount		841.48	396.41	793.10
Expected loss rate				
Expected credit losses (Loss allowance provision)				18.88
Carrying amount of trade receivables (net of impairment)		841.48	396.41	774.22

Reconciliation of loss allowance provision –	Amount
Loss allowance on 31 March 2018	18.88
Changes in loss allowance	-
Loss allowance on 31 March 2019	18.88

38.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds and fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

38.2.1 Maturity Analysis for financial liabilities

a The following are the remaining contractual maturities of financial liabilities as at 31st March 2019

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables		2886.65	164.94	1177.60	34.59	4263.77
Borrowings			11288.58		620.72	11909.30
Working Capital loans repayable on demand	3531.39					3531.39
Other financial liabilities	587.83					587.83
Total	4,119.22	2,886.65	11,453.52	1,177.60	655.31	20,292.30
Derivative						
Derivatives not designated as hedge						

b The following are the remaining contractual maturities of financial liabilities as at 31st March 2018

Particulars	On Demand	Less than 6 months	6 months to 1 year	1 years to 5 years	More than 5 years	Total
Non-derivative						
Trade payables	1,030.07	2411.34	364.88	807.22		4613.51
Borrowings						
Working Capital loans repayable on demand	6208.4					6208.40
Other financial liabilities	781.59					781.59
Total	8,020.06	2,411.34	364.88	807.22	-	11,603.50
Derivative						
Derivatives not designated as hedge						

c The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements (if any). The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above tables as exchange rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

38.3 Market Risk

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

38.3.1 Foreign Exchange Risk

Foreign Exchange Risk is the exposure of the Company to the potential impact of movements in foreign exchange rates. The Company imports various raw materials viz. chemicals, drugs, API, packing materials viz. granules, items of stores and spares and capital goods as per its requirements from time to time and also borrows funds in foreign currencies. This results in foreign currency risk to the Company. Similarly, company's exports are also exposed to foreign currency risks.

For the Foreign Exchange exposures risk management, the Company's Policy is to adopt a flexible approach in hedging its risk. For this, the Company from time to time takes the view from banks and foreign exchange experts and based upon the same and also considering macro-economic factors, forms a view and whenever deemed necessary, hedges its foreign exchange risk. The hedging strategies are taken after careful study/ analysis of foreign exchange market to minimize to the extent possible, any effect of the fluctuation in foreign exchange rates.

a **Exposure to currency risk**

The Company's exposure to foreign currency risk unhedged exposures at the end of the reporting period expressed in INR, are as follows:

Particulars	31st March 2019		31st March 2018	
	USD	YEN	USD	YEN
Financial Assets				
Trade Receivables	71.99	-	227.84	23.26
Advances to Suppliers				
Bank Balance				
Net Exposure to foreign currency risk (assets)	71.99	-	227.84	23.26
Financial Liabilities				
Trade Payables	351.68		888.00	
Derivative Liabilities				
Derivatives not designated as hedge				
Export Bill Discounted	197.36		334.14	
Net Exposure to foreign currency risk (liabilities)	549.04	-	1,222.14	

Off Balance Sheet exposure(Derivative Contract)-hedged

Particulars	31st March 2019				31st March 2018			
	USD	EURO	GBP	TOTAL	USD	EURO	YEN	TOTAL
a Forward contract to purchase foreign currency	-	4.01	-	4.01	0.41	7.85	-	8.26
b Forward contract to sell foreign currency	16.82	-	0.61	17.43	17.29	-	-	17.29

b **Sensitivity Analysis**

A reasonably possible strengthening (weakening) of the INR against USD, YEN, EURO and GBP as at 31st March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit After Tax	Other Equity		Profit After Tax	Other Equity
USD Sensitivity (Increase)	5%	(23.85)		5%	(49.71)	
USD Sensitivity (Decrease)	5%	23.85		5%	49.71	
YEN Sensitivity (Increase)	5%	-		5%	1.16	
YEN Sensitivity (Decrease)	5%	-		5%	(1.16)	

38.3.2 Interest Rate Risk

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

The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits and Investments viz. mutual funds, bonds. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds."

a **Exposure to interest rate risk**

Particulars	31st March 2019	31st March 2018
Fixed Rate Instruments		
Financial Assets		
Financial Liabilities	4980.55	1185.43
Variable Rate Instruments		
Financial Assets		
Financial Liabilities		

b Sensitivity Analysis

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	31st March 2019			31st March 2018		
	Sensitivity Analysis	Impact On		Sensitivity Analysis	Impact On	
		Profit After Tax	Other Equity		Profit After Tax	Other Equity
Interest amount Increase by	2%	(83.01)		2%	(23.71)	
Interest amount Decrease by	2%	83.01		2%	23.71	

38.3.3 Other Price Risk

The Company is exposed to equity price risk, in a meagre way with least possibility of any adverse impact on account of equity or debt instruments in profitability.

38.3.4 Capital Management

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

39 Impairment

The Company has not found any indication of impairment of the assets as per Ind AS 38 and accordingly no further exercise for calculating impairment loss has been undertaken.

40 Particulars of disclosure under section 186(4) of Companies Act,2013.The company has not made any investment or given any loan or furnished any guarantee attracting provision of section 186(4) of Companies Act,2013.

Outstanding investments under section 186(4) relates to investment of Rs 5.76 lakhs in West Range Properties Private Limited made during financial year 2016-17 appearing under Non Current Investment in financial statements.

41 New Standards/Amendments applied during the year in respect of Company Financial Statements:

- a) INDAS-115 Revenue from Contracts with Customers (new) Ind AS 115 supersedes IND AS 11, Construction Contracts & IND AS 18, Revenue. IND AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of IND AS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services
- b) IND AS 12- Income Taxes (amendment) - Consideration of restrictive tax laws in sources of taxable profit and corresponding reversal of deductible temporary differences
- c) IND AS 21- The effect of changes in Foreign Exchange Rates (amendment) - on... application of newly inserted appendix B pertaining to foreign currency transactions of non-monetary assets/liabilities.

The impact of the above new standards / amendments did not have material impact on the financial statements.

42 INSURANCE CLAIM

The company has been awarded by Honb'ble High Court of Calcutta entitlement of interest amounting to Rs. 4.14 crore in respect of a party, principal due from whom was awarded in company's favour by Honb'le Arbitrater in earlier financial year. Relevant income has been recognized during the year.

42 INSURANCE CLAIM

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43 FLAX UNIT

Flax unit at Jaggadal caught accidental fire on 9th November, 2018 resulting in loss of inventories worth Rs. 22.51 crore for which claims have been lodged with Insurance company pending their assessment. Considering this relevant amount has been withdrawn from the inventories and shown under the head of "claims lodged against loss of inventories"

forming part of operational income instead of accounting for as changes in inventories, work-in-progress and stock in trade without recognising any revenue implication pending settlement by insurance company.

44 The company, inter-alia, is dealing in securities to gear up its trade for which its investments costing Rs.121.53 lakhs have been transferred to inventories from Non- current investment as on 01.01.2019. considering this, principle laid down under IND AS 2 read with accounting policies of the company to the effect of carrying inventory at lower of cost and realizable value has been followed by way of retaining residual securities of RS 8.10 lacs (previous year NIL) at year end in terms of original cost.

Domestic sale includes Rs. 1281.73 lacs (Previous year Rs. Nil) pertaining to relevant inventories.

45 "333 number of plant & equipments worth Rs.383.26 lacs in terms of WDV, gross block and accumulated depreciation thereon being Rs.1543.16 lacs and Rs.1159.9 lacs respectively as on 01.04.2018, have been de-assembled in components constituting relevant plant and equipments by way of de-capitalisation from corresponding heads of accounts to capital work in progress for future usage of the components in construction of plants and equipments congenial to productive exigencies. According to fair valuation of relevant components, as assessed by technical department, no impairment provision is warranted thereon as per clause 18 of INDAS 36."

6 INFORMATION PURSUANT TO INDAS 115

		2018-19	2017-18
a.	Breakup of Sales:		
	JUTE PRODUCTS		
i.	HESSIAN	2,178.74	2,334.51
ii.	SACKING	4,076.83	5,190.69
iii.	YARN	964.84	1,153.54
IV	WIDE HESSIAN	605.16	883.02
	SCRAP SALES	234.64	26.23
	OTHERS	1,281.73	787.25
	TOTAL	9,341.94	10,375.24
b.	FLAX PRODUCTS		
i.	FLAX GOODS	444.70	498.55
ii.	RAW MATERIAL	200.45	185.40
iii.	NOILS & WASTE	23.02	28.10
	SCRAP SALES	1.08	
	TOTAL	669.25	712.05
	GROSS SALES OF JUTE & FLAX	10,011.19	11,087.29
	EXPORT INCENTIVE	242.64	340.33
	OTHERS	2,931.36	1,369.57
	less: commission paid	(11.57)	(15.50)
	NET SALES	13,173.62	12,781.69

Geographical destination of sales:

		2018-19		2017-18	
		JUTE	FLAX	JUTE	FLAX
I.	DOMESTIC	5,170.46	669.25	5,802.13	712.05
II.	EXPORT(COUNTRY WISE)				
	UKRAINE	38.33	-	34.88	-
	SOUTHAFRICA	36.54	-	57.90	-
	IVOIRE COAST	22.47	-	47.67	-
	CHILE	114.47	-	139.45	-
	UNITED KINGDOM	515.16	-	522.09	-
	ECUADOR	58.56	-	54.46	-
	GERMANY	18.51	-	187.17	-
	NEW ZEALAND	20.17	-	-	-
	SINGAPORE	47.48	-	87.14	-
	KOREA	11.73	-	10.84	-
	POLAND	44.40	-	-	-
	SWITZERLAND	5.45	-	25.55	-
	CANADA	447.26	-	379.58	-
	MOROCCO	89.80	-	139.77	-
	ITALY	68.11	-	110.86	-
	AUSTRALIA	292.94	-	524.08	-
	SWEDEN	35.83	-	9.76	-
	AUSTRALIA/NEWZEALAND	20.04	-	-	-
	CHINA	0.70	-	-	-
	UAE	15.14	-	-	-
	ARGENTINA	15.91	-	105.16	-
	JAPAN	844.01	-	955.31	-
	USA	126.75	-	369.86	-
	GREECE	-	-	10.97	-
	GAMBIA	-	-	13.35	-
	EXPORT SALES	2,889.75	NIL	3,785.86	NIL

	2018-19	2017-18
OTHER SALES		
INSURANCE CLAIMS	2,665.94	52.92
PROCESSING CHARGES(FLAX)	51.72	-
LIQUIDATED DAMAGE	210.00	-
SUBSIDY	3.70	11.31
JOINT VENTURE INCOME	-	1,305.34
	2,931.36	1,369.57
	2018-19	2017-18
DOMESTIC SALES	7,121.44	7,301.43
EXPORT SALES	2,889.75	3,785.86
EXPORT INCENTIVE	242.64	340.33
OTHERS	2,931.36	1,369.57
TOTAL SALES	13,185.19	12,797.19
LESS COMMISSION	(11.57)	(15.50)
NET SALES	13,173.62	12,781.69

Major Distribution Channels Relate to Overseas, Govt. & Institutional Buyers

47 Consolidated herein is the accounts of Champdani Constructions Limited, a subsidiary where 82% stake is owned by the parent company .The said subsidiary was wholly owned upto 14.02.2019 on which date 18% stake therein was acquired by two other entities in terms of fair value of the stake .

48 In Consolidated Financial Statements, the following shall be disclosed by way of additional information:

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent	97.24%	7,863.52	95.49%	171.29	100%	(131.61)	83.06%	39.68
Subsidiaries	10.95%	844.98	4.50%	8.08	-	-	-	-
Indian								
1.								
2.								
3.								
Foreign								
1.								
2.								
3.								
Non-controlling Interests in all subsidiaries								
Associates (Investment as per the equity method)								
Indian								
1.								
2.								
3.								
Foreign								
1.								
2.								
3.								
Joint Ventures (investment as per the equity method)								
Indian								
1.								
2.								
3.								
Foreign								
1.								
2.								
3.								
Total		8,708.50		179.37		(131.61)		39.68

49 Previous years figures have been regrouped and rearranged wherever necessary.

AI Champdany Industries Ltd.

Registered Office : 25, Princep Street, Kolkata – 700 072, W.B.
Tel No.: 033 22377880, Fax No.: 033 22250221, Website: www.jute-world.com
CIN: L51909WB1917PLC002767

Hundred & first Annual General Meeting – Tuesday, 13th August 2019

BALLOT FORM

(To be submitted before the scrutinizer appointed by the Company)

Name of the Member(s):

Address:

Folio No. / DP ID and Client ID:

Number of Equity Share(s) held:

I/We hereby exercise my/our vote in respect of the following resolution(s) to be passed at the Hundred & first Annual General Meeting of the Company, to be held on Tuesday, 13th August 2019 at 11:00 A.M. at the Auditorium of Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata – 700017 in respect of businesses as stated in the Notice dated 13th June 2019 by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the box against the respective matters.

Item No.	Description	No. of equity shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
Ordinary Business				
1.	Adoption of (a) The audited financial statement of the Company for the financial year ended 31 March 2019, together with the Report of the Directors and Auditors. (b) The audited consolidated financial statement of the Company for the financial year ended 31 March 2019			
Special Business				
2.	Reappointment of Mr. Damodardas Jerambhai Wadhwa, Director, retires by rotation.			
3.	Approval of remuneration of Cost Auditor N. Radhakrishnan, Cost Accountants, Kolkata for the financial year 2019-20.			

Place : _____

Date : _____ Signature of the Member / Beneficial Owner

INSTRUCTIONS

1. A Member desiring to exercise vote by ballot form may complete this ballot form and send/submit it to the Scrutinizer, appointed by the Board of Directors of the Company viz. Ms. Rinku Gupta of M/s Rinku Gupta & Associates at Mercentile Building, 9/12, Lalbazar Street, 3rd Floor, Block E, Room No.7A, Kolkata – 700 001.
2. In case of shares held by companies, trusts, societies etc., the duly completed ballot form should be accompanied by a certified copy of Board Resolution / Authority.
3. Unsigned ballot forms will be rejected.
4. A Member need not cast all the votes in the same way.
5. Duly completed ballot form should reach the Scrutinizer not later than 11.00 A.M. (IST) on 13th August 2019.
6. The Scrutinizer's decision on the validity of a ballot form will be final.

AI Champdany Industries Ltd.

(CIN: L51909WB1917PLC002767)

Regd office: 25,Princep Street , Kolkata-700 072

Email: cil@ho.champdany.co.in, Website: www.jute-world.com

Phone: 2237-7880 to 85 / 2225-1050 /7924/8150 FAX: (91) (33) 222502221/22363754

PROXY FORM

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

101ST ANNUAL GENERAL MEETING ON 13th AUGUST 2019

I/We being the member(s) of AI Champdany Industries Limited holding ----- shares of the company, hereby appoint

(1) Name:Address:
E-mail-id:..... Signature.....or failing him;

(2) Name:Address:
E-mail-id:..... Signature.....or failing him;

(3) Name:Address:
E-mail-id:..... Signature.....or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 101st Annual General Meeting of the company, to be held on Tuesday, 13th August 2019 at 11:00 AM at the Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th floor, Kolkata 700017 and at any adjournment thereof in respect of such resolution as are indicated overleaf:

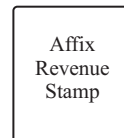
Sr. No.	Resolutions	Optional*	
		For	Against
1.	Adoption of Audited Standalone and Consolidated Financial Statements for the financial year ended 31 March 2019 and the Report of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Damodardas Jerambhai Wadhwa as a Director who retires by rotation.		
3.	Approval of remuneration to the Cost Auditor for the financial year ending March 31, 2020.		

Signed this.....day of.....2019.

Folio/ DP ID/ Client ID.....

Signature of shareholder.....

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



- Note:
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the 101st Annual General Meeting dated 13th August 2019.
 - It is optional to put a "Tick" in the appropriate against the Resolutions indicated in the box. If you leave the "For" or "Against" column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

AI Champdany Industries Ltd.

(CIN: L51909WB1917PLC002767)

Regd office: 25, Princep Street , Kolkata-700 072

Email: cil@ho.champdany.co.in, Website: www.jute-world.com

Phone: 2237-7880 to 85 / 2225-1050 /7924/8150 FAX: (91) (33) 222502221/22363754

(To be handed over at the entrance of Meeting Hall)

101ST ANNUAL GENERAL MEETING ON 13th AUGUST 2019

ATTENDANCE SLIP

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.

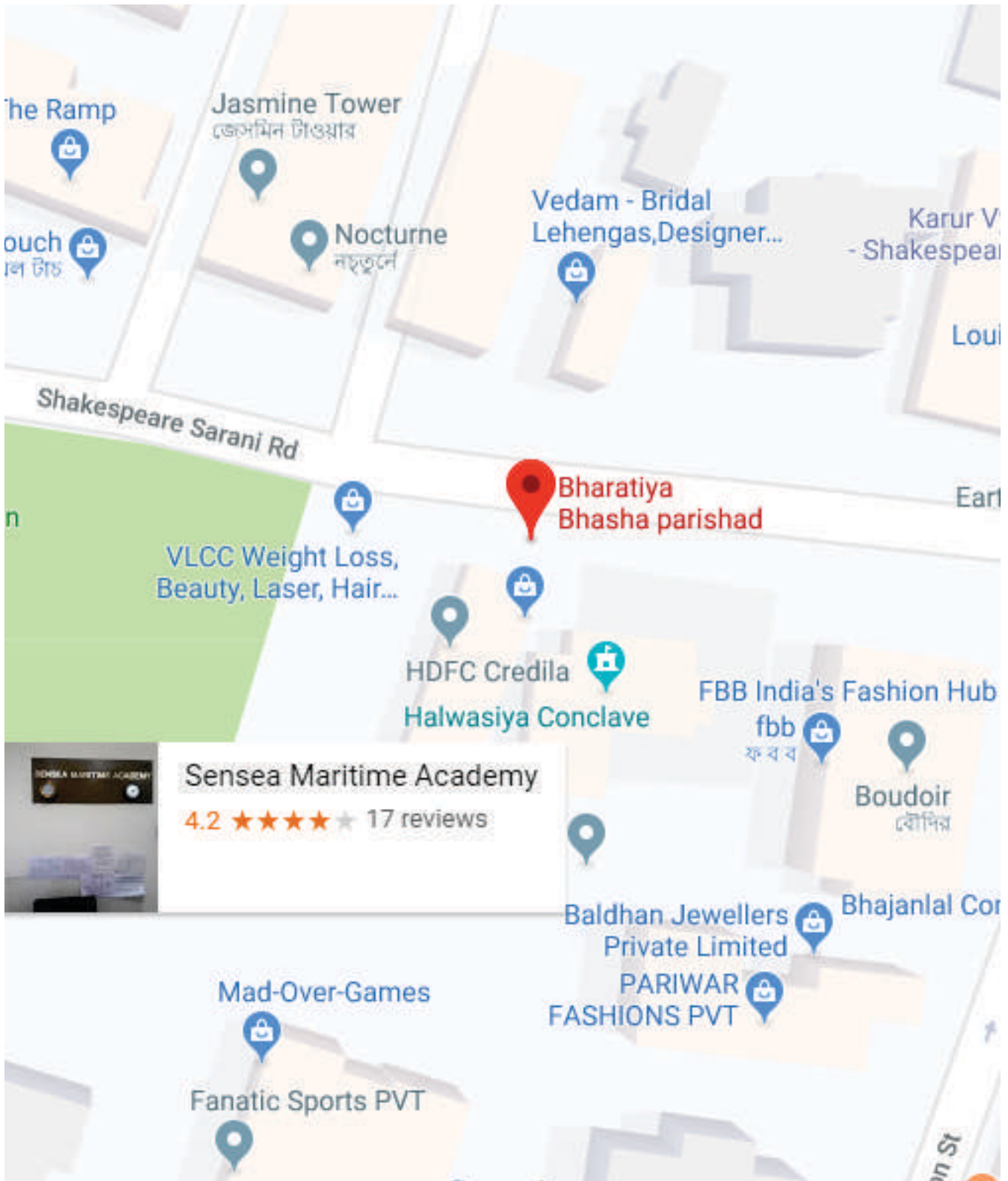
I/We hereby accord my/our presence at the 101st Annual General Meeting of the company at the Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th floor, Kolkata 700017 on Tuesday, 13th August 2019 at 11:00 AM.

Registered Folio/DP ID & Client ID No. :
Name and address of the Shareholder(s) :
Joint Holder 1 :
Joint Holder 2 :
No of Shares :

.....
Member's/proxy's name in Block letters

Member's/proxy's signature

Note: Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.



The Ramp

Jasmine Tower
জেসমিন টাওয়ার

Nocturne
নক্টার্নে

Vedam - Bridal
Lehengas, Designer...

Karur V
- Shakespeare

ouch
ল টাচ

Shakespeare Sarani Rd

**Bharatiya
Bhasha parishad**

VLCC Weight Loss,
Beauty, Laser, Hair...

HDFC Credila

Halwasiya Conclave

FBB India's Fashion Hub

fb
ফ ব ব

Boudoir
বৌদির

Sensea Maritime Academy

4.2 ★★★★★ 17 reviews

Baldhan Jewellers
Private Limited

Bhajanlal Cor

PARIWAR
FASHIONS PVT

Mad-Over-Games

Fanatic Sports PVT

