

# **ANNUAL REPORT 2012-2013**

---

**AI CHAMPDANY INDUSTRIES LIMITED**

## AI Champdany Industries Limited

### BOARD OF DIRECTORS

Mr. G. J. Wadhwa, Chairman  
 Mr. D. J. Wadhwa, Vice Chairman  
 Mr. Harbhajan Singh  
 Mr. S. M. Palia  
 Dr. G. Goswami  
 Mr. N. Das  
 Dr. B. Sen  
 Mr. B. Wadhwa  
 Mr. N Pujara (Executive Director)

Mr. Surajit Sen  
*Company Secretary &  
 Controller (Finance & Accounts)*

### AUDITORS

**D P Sen & Co.**  
*Chartered Accountants*  
**FRN : 301054 E**

### BANKERS

Bank of Baroda  
 Allahabad Bank  
 Export-Import Bank of India  
 ING Vysya Bank Ltd.  
 Bank of Maharashtra  
 Union Bank of India

### 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

Contents	Page No
<b>Directors' Report including Management Discussion &amp; Analysis Report</b>	<b>1</b>
<b>Report on Corporate Governance</b>	<b>6</b>
<b>Financial information of the Subsidiary Companies</b>	<b>14</b>
<b>Auditor's Report</b>	<b>17</b>
<b>Balance Sheet</b>	<b>21</b>
<b>Statement of Profit and Loss</b>	<b>22</b>
<b>Cash Flow Statement</b>	<b>23</b>
<b>Notes on Accounts</b>	<b>24</b>
<b>Auditor's Report on Consolidated Accounts</b>	<b>38</b>
<b>Consolidated Balance Sheet</b>	<b>40</b>
<b>Statement of Consolidated Profit and Loss</b>	<b>41</b>
<b>Consolidated Cash Flow Statement</b>	<b>42</b>
<b>Notes on Consolidated Accounts</b>	<b>43</b>

## WORKS

Wellington Jute Mill 9, G T Road Rishra Hooghly West Bengal Pin: 712 258	Anglo India Jute Mill 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	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	Kankinara Unit Bhutnath Kolay Road PO: Kankinara 24, Parganas (N) West Bengal Pin: 743 126	Weaving Unit Rishra Hooghly West Bengal Pin: 712 258	Weaving Unit Konnagar Naity Road Barabahera Dist: Hooghly West Bengal Pin: 712 246	Yarn Unit Rishra Hooghly West Bengal Pin: 712 258
	Beldanga Unit PO: Beldanga Murshidabad West Bengal Pin: 742 101	Libra Carpet Choudwar Dist: Cuttack Orissa Pin: 754 025	Weaving Unit 39, Shalimar Road Howrah (South) West Bengal Pin: 711 013	Yarn Unit Choudwar Dist: Cuttack Orissa Pin: 754 025	Weaving Unit Narayanpur 24, Parganas (N) West Bengal Pin: 712 258		

# AI CHAMPDANY INDUSTRIES LIMITED

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their report alongwith Audited Financial Results of the Company for the year ended 31 March 2013.

(Rs. in lacs)

	Year ended 31st March, 2013	Year ended 31st March, 2012
Profit before Finance Cost, Depreciation and Tax	1679.38	1559.95
Finance Cost	905.50	801.48
Depreciation and Amortisation	694.17	697.34
<b>Profit Before Tax</b>	<b>79.71</b>	<b>61.13</b>
Provision for Tax:		
- Current Tax	17.91	13.15
- Deferred Tax Liability/ (Asset)	(25.41)	(27.03)
<b>Profit After Tax</b>	<b>87.21</b>	<b>75.01</b>
Adjustment relating to earlier years (taxes)	44.09	7.18
Profit after adjustment for taxes for earlier years	43.12	67.83
Profit Brought Forward from Previous Years	82.19	14.36
Amount available for Appropriation	125.31	82.19
Dividend on Preference Shares on Redemption	53.66	-
Tax on Dividend	8.70	-
Transfer to Capital Redemption Reserve	60.00	-
Surplus Carried over	2.95	82.19

### DIVIDEND

In view of inadequacy of profits, your Directors do not recommend any dividend on 2% Preference shares and on Equity Shares.

### REDEMPTION OF PREFERENCE SHARES

Out of the proceed of the fresh issue of shares, the Company has redeemed 2200000 nos 7% cumulative preference shares of Rs. 10/- each aggregating to Rs. 220 lacs. The company has paid cumulative dividend of Rs. 53.66 lacs on the above preference shares and tax on dividend of Rs. 8.70 lacs.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate Section and forms part of the Directors' 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.

### BOARD OF DIRECTORS

Mr. S.K. Mehera after having served on the Board of the Company for more than 37 years did not seek re-election on retirement by rotation at the last Annual General Meeting held on 12 September 2012 due to his attaining the age of 84 years. Accordingly, he ceased to be the member of the Audit Committee and Remuneration Committee. The Board placed on record its gratitude and appreciation for the guidance and advice received from Mr. S. K. Mehera during his long association with the Company. In place of Mr. S. K. Mehera, Mr. N. Das was inducted as a member of the Audit Committee and Mr. Harbhajan Singh was inducted as a member of the Remuneration Committee.

As per the provisions contained in the Companies Act, 1956 and the Articles of Association of the Company, Mr. Harbhajan Singh, Mr. N Pujara and Mr. B Wadhwa, Directors retire by rotation and being eligible, offer themselves for re-appointment.

The brief resume/details relating to Directors seeking re-appointment are furnished in the Annexure to the notice of the ensuing Annual General Meeting.

## **ISSUE OF EQUITY SHARES & CONVERTIBLE SHARE WARRANTS ON PREFERENTIAL BASIS TO PROMOTER GROUP ENTITIES**

In terms of the special resolution passed by the shareholders at the last Annual General Meeting held on 12 September 2012 and in compliance of the SEBI (ICDR) Regulations, 2009, the Company allotted total 2204786 nos of equity shares of Rs.5/- each fully paid up at a price of Rs.20.50 (including premium of Rs.15.50) per share and 2683045 nos of convertible equity warrants at a price of Rs. 20.50 (including premium of Rs. 15.50) per warrant to promoter group entities on 25 & 26 September 2012 respectively. The paid up equity capital accordingly increased to Rs. 1236.87 lacs after the said issue and on convertible warrants 25% money has been paid alongwith application and the balance payable within 18 months from the date of allotment as per the terms of the issue. The statutory auditor has certified that the proceeds of the above issue have been utilised for the purpose as stated in the shareholders' resolution dated 12 September 2012.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their 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 (2AA) of Section 217 of the Companies Act, 1956.

- i) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with a proper explanation relating to material departures;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Annual Accounts have been prepared on a going concern basis.

## **LEGAL MATTERS**

The Company's two foreign shareholders – Blancatex AG and Aldgate International SA have filed two separate petitions under section 397 and 398 of the Companies Act, 1956 before the Company Law Board (CLB) primarily challenging the transfer of the Rampur Texpro Unit to Champdany Constructions Ltd, the Company's wholly owned subsidiary and proposed transfer of the Shalimar Unit to AIC Properties Ltd, another wholly owned subsidiary of the Company.

The CLB had passed an interim order dated 12 January 2010 against the Company restraining it from acting in furtherance of the resolution for transfer of the Shalimar Unit during the pendency of the proceedings. The said order also restrained Champdany Constructions Ltd from transferring or creating any third party interest in the fixed assets of the Rampur Texpro Unit. The interim order dated 12 January 2010 has been set aside/modified in an appeal filed by the Company's subsidiary Champdany Constructions Ltd which has been allowed to lease out the premises in question.

Ultimately, the said two shareholders i.e. Blancatex AG and Aldgate International SA chose not to proceed with the main two petitions and sought for leave before the CLB to withdraw the said petitions. Accordingly, Leave was granted by the CLB to withdraw the said two petitions and by an Order dated 26 November 2012, passed by the Bench, the petitions filed are dismissed. Consequently, all interim orders passed by the CLB were vacated. As a result, whereof pending proceedings before the High Court under Section 10F of the Companies Act filed by two above shareholders were also dismissed for non-prosecution.

## **AUDITORS**

D. P. Sen & Co., Chartered Accountants, Kolkata, the Statutory Auditors of the Company, hold office until conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

## **APPOINTMENT OF COST AUDITOR**

The Board of Directors at its Meeting held on 30 May 2012 has reappointed M/s N Radhakrishnan & Co, Cost Accountants as Auditor for carrying out audit of cost accounting records in respect of jute goods for the financial year 2012-13.

The Auditors Report on cost accounting records of the Company for the financial year 2011-12 were filed with Ministry of Corporate Affairs on 19 February 2013 (within the due date).

## **SUBSIDIARY**

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies are disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the subsidiary companies are also be kept open for inspection at the Registered office of the Company and that of the respective subsidiary companies. The consolidated financial statement presented by the Company include the financial results of its subsidiary companies i.e. Champdany Constructions Ltd., Landale & Clark Ltd. and AIC Properties Ltd. West Bengal Multifiber Jute Park Ltd. has ceased to be a Subsidiary with effect from 5 March 2013.

## **CONSOLIDATED FINANCIAL STATEMENT**

In compliance with the requirements of Accounting standards (AS-21) prescribed by the Institute of Chartered Accountants of India, on the Consolidated Financial Statement, this Annual Report also includes the Consolidated Financial Statement.

## **AUDITOR'S REPORT**

Observations of the Auditors in their report vide para A.I, have been adequately dealt with in the Notes 45 to 48 of the Accounts, which are explained hereunder seriatim.

- i) The commodity hedging contracts are accounted for on the date of their settlement and realised gain/loss in respect of only settled contracts are recognised in the Profit and Loss Account, alongwith underlying transactions. This is in accordance with the principles of prudence.
- ii) In respect of Loss on Account of Fire at the Company's Wellington Jute Mill on 22 April 2006 and 21 January 2011, the Company has not made any adjustment in the books as the claim is pending settlement with the Arbitrator and Insurance Company respectively. The Company recognises insurance claims on receipt/assessment basis of related claim from the insurance authorities.
- iii) The Company is providing Gratuity Liability on accrual basis for all its units and only in respect of one unit i.e. Jagatdal, it was accounted for on cash basis for the intervening period of 1996-97 to 2006-07 as explained in Note No. 47 to the Accounts.
- iv) Remission of Taxes by the Sales Tax authorities: The matter is pending for settlement with the authorities and will be adjusted on reaching finality. Meanwhile it has been adequately explained in the Note 48(a) to the Accounts which is an integral part of the Annual Accounts.
- v) There is a long-standing advance of Rs.26.93 lacs which is pending since takeover of erstwhile Anglo-India Jute Mills Co. Ltd from BIFR and recoverable from the erstwhile promoter.

## **PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956**

The provision of Section 217(2A) of the Companies Act, 1956 read with rules thereunder is not applicable to the Company, since there is no employee in the service of the Company drawing remuneration in excess of the prescribed limit.

Additional information required under Section 217(1)(e) of the Companies Act, 1956 on conservation of energy, technology absorption and foreign exchange earnings and outgo, is set out in a separate statement attached to this report and forms part of it.

## **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 Export-Import Bank of India, the Government of West Bengal, the Company's bankers, customers, employees, shareholders and other business associates.

On behalf of the Board

Place: Kolkata  
Date: 30 May 2013

B Wadhwa }  
N Pujara } Directors

---

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. Industry Structure and Development

During the year, Government allowed 10% of Food grains and 60% of Sugar for packaging in other than Jute Bags & it was applicable for one year i.e. 2012-13. This was necessitated because the Government estimated that based on the production capacity of the Jute Mills and projected demand of Jute Bags there would be shortfall in supply, hence some relaxation of temporary nature was necessary for the user Industry. Exports also had to be curtailed to meet the compulsory requirement of packaging domestically so as to comply with the Government requisition. Production in the Industry is suffering due to growing shortage of labour resulting from National Rural Employment Guarantee Scheme (NREGS) of the Government and job opportunities being available to workers at their native place under various Government schemes such as Sarva Shiksha Abhiyan, National Rural Health Mission etc. which provides job opportunities at village level apart from new options being also available in farming and industrial activity in their home states like Odisha, Bihar, UP, Jharkhand etc. Therefore concerted efforts are needed both from the Industry and the Government so as to combat the situation of acute labour shortage by providing training facilities to new workers while also installing higher technology equipments having lesser manpower requirement, for which the Government also need to support by formulating a suitable policy with appropriate incentive schemes etc. The Industry needs to take immediate measures to augment supply of Jute Bags by enhancing capacity utilization so that temporary partial exemption granted by the Government is restored and the Industry does not lose its market share to other alternative products.

### B. Opportunities/Threats, Risks & Concerns

#### ● Opportunities

With the initial forecast of normal monsoon and growing food grain production, demand for B Twill Bags continues to be good and there lies an opportunity for the Industry to augment capacity utilization to cater to the growing demand. Jute being natural fibre, is also a source of great potential in value added segment of Jute products where there are immense opportunities by focusing on development of diversified products with concerted R & D efforts.

#### ● Threats/Risks and Concerns

The major challenge that the Jute Industry is facing is acute shortage of workers, increasing cost of production arising out of rising wages without any linkage to productivity, high power and Interest costs. Continuation of Jute packaging (compulsory use for packaging commodities) Act 1987 is also an important factor for which Industry needs to take measures to increase production of B Twill Bags.

### C. Outlook

The demand for B Twill sacking bags continues to be good due to regular requirements by Food procurement agencies for packaging of food grains. With initial forecast of normal monsoon it is expected that domestic demand should remain strong. Raw Jute availability is expected to be comfortable with high carry over from previous year although sowing this season has been marginally lower which may get partially offset by better yield if the weather condition remains favourable and high carry over from previous year. Therefore, barring unfavorable weather condition, it is hoped that with inventory overhang in the system, prices of Raw Jute which has started softening should ease further in the coming months and that should augur well for the Industry.

**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**

During the year under review, production was 50012 MT compared to 42021 MT in the previous year. Sales / Related Income was Rs.351.67 crores compared to Rs. 390.68 crores in previous year. The lower sales was due to lower trading sales in the year under review. However own manufactured sales was higher at Rs. 314.42 crores compared to Rs. 261.14 crores in previous year. Export sales was impacted due to Government requisition of B Twill bags for domestic food grain packaging requirement. The matter relating to shortage of stock at Flax Unit, Jagatdal as referred in note no. 28 of the accounts is under investigation. However, the same has been adjusted in accounts to comply with accounting standard.

**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 continued to be under suspension of work. Flax Unit which was under suspension of work since January' 2012 resumed operating from August' 2012 on signing of tripartite agreement.

**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.

---

**Auditor's Certificate on Compliance with the conditions of  
Corporate Governance under Clause 49 of the Listing Agreement**

**To the Members of AI Champdany Industries Limited**

We have examined the compliance of conditions of Corporate Governance by AI Champdany Industries Limited ("the Company") for the year ended 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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.

Place : Kolkata  
Date : 30 May 2013

For D. P. Sen & Co.  
*Chartered Accountants*  
FRN 301054E  
S. K. Nayak  
*Partner*  
Membership No: 58711

## AI CHAMPDANY INDUSTRIES LIMITED

### Corporate Governance Report for the year ended 31 March 2013

The detailed report on Corporate Governance and process including compliance by the Company with the provisions of Clause 49 of the Listing Agreement is set out below:

#### 1. Company's Philosophy on Code of Governance

The Board of Directors and Management are committed to maximizing shareholder value on a sustained basis. The Company considers good Corporate Governance to be a pre-requisite for meeting the objective of shareholders' wealth maximization. Good Governance practices in the Company include adoption of best Board practices, respect and protection of minority views and interests and institutionalization of a fair and transparent reporting system.

#### 2. Board of Directors

During the year under review, the strength of the Board of Directors was 9 (nine) which was increased to ten on appointment of Dr. Basudeb Sen as non-executive independent Director on 30 May 2012. Then it was reduced to nine from 13 September 2012 due to non-seeking of re-election as Director by Mr. S.K.Mehera at the Annual General Meeting held on 12 September 2012. At the end of the year, the Board comprising of 3 promoters non-executive Directors (including a non-executive Chairman), 5 non-executive independent Directors and 1 Executive Director.

During the financial year ended 31 March 2013, five Board meetings were held on 30 May 2012, 13 August 2012, 12 September 2012, 09 November 2012 and 11 February 2013.

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	Category	Attendance		No. of other Directorships and Committee Memberships/Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. G. J. Wadhwa	Promoter Non-Executive Chairman	Nil	No	3	Nil	Nil
Mr. S. M. Palia	Independent Non-executive	Nil	No	8	5	2
Mr. S K Mehera*	Independent Non-executive	3	Yes			
Mr. Harbhajan Singh	Independent Non-executive	4	Yes	7	Nil	Nil
Dr. B Sen	Independent Non-executive	5	Yes	7	5	4
Dr. G. Goswami	Independent Non-executive	4	No	5	2	Nil
Mr. D. J. Wadhwa	Promoter Non-Executive	5	Yes	3	Nil	Nil
Mr. N. Das	Independent Non-executive	5	Yes	3	2	3
Mr. N. Pujara	Executive Director	5	Yes	14	Nil	2
Mr. B. Wadhwa	Promoter Non-Executive	4	Yes	10	Nil	Nil

The brief resume/details relating to Directors seeking re-appointment are furnished in the Annexure to the Notice of the ensuing Annual General Meeting.

\* Mr. S.K.Mehera did not seek re-election on retirement by rotation at the last Annual General Meeting held on 12 September 2012.



### 3. Audit Committee

The Board of Directors has set up an Audit Committee under the provisions of Section 292(A) of the Companies Act, 1956, and for compliance of Corporate Governance Code under Clause 49 of the Listing Agreement. The terms of reference of Audit Committee are determined by the Board from time to time. The role and composition of the Audit Committee are as follows:

- Overseeing Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with Accounting Standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors, any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with external auditors before the audit commencement, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.

The Audit Committee consisting three non-executive independent Directors and one non-executive promoter Director as follows:

i)	Mr. Harbhajan Singh	-	Chairman (non-executive independent Director)
ii)	Mr. S.K.Mehera*	-	Member (non-executive Independent Director)
iii)	Mr. N Das*	-	Member (non-executive independent Director)
iv)	Dr. G. Goswami	-	Member (non-executive independent Director)
v)	Mr. D. J. Wadhwa	-	Member (non-executive promoter Director)

The Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee.

\* Mr. S.K.Mehera did not seek re-election on retirement by rotation at the last Annual General Meeting held on 12 September 2012. Accordingly he ceased to be member of the Audit Committee. Mr. N. Das was inducted in the Audit Committee on 11 February 2013 as the new member.

During the financial year ended 31 March 2013, four Audit Committee meetings were held on 30 May 2012, 13 August 2012, 9 November 2012 and 11 February 2013. Mr. Harbhajan Singh attended four meetings, Mr. S. K. Mehera attended two meetings. Mr. N Das attended one meeting, Dr. G. Goswami attended four meetings and Mr. D. J. Wadhwa attended four meetings.

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meetings.

#### 4. Remuneration Committee

**Composition:** The Remuneration Committee of the Board comprises of Independent Directors, namely Mr. S. K. Mehera \*, Dr. G. Goswami, Mr. N. Das and Mr. Harbhajan Singh\*.

\* Mr. S.K.Mehera did not seek re-election on retirement by rotation at the last Annual General Meeting held on 12 September 2012. Accordingly, he ceased to be member of the Remuneration Committee. Mr. Harbhajan Singh was inducted as the new Independent member of the Remuneration Committee.

**Terms of Reference:** The Remuneration Committee has been constituted to review/recommend/approve remuneration of the Executive Director/whole time Director, based on their performance.

**Meetings:** During the financial year ended 31 March 2013, there was only one meeting of the Remuneration Committee held on 30 May 2012.

#### DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31 2013.

##### 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 2012-13 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. G. J. Wadhwa	-	-	-	-	1189300	1189300
Mr. S. M. Palia	-	-	-	-	266	500
Mr. S. K. Mehera +	15,000	22,500	7,500	45,000	266	-
Mr. Harbhajan Singh	22,500	30,000	-	52,500	-	-
Dr. G. Goswami	30,000	30,000	15,000	75,000	-	-
Mr. D. J. Wadhwa	30,000	37,500	-	67,500	2645642	2645642
Mr. N. Das	7,500	37,500	7,500	52,500	2666	-
Dr. B. Sen	-	37,500	15,000	52,500		
Mr. B. Wadhwa	-	30,000	7,500	37,500	1732	1532
	<b>1,05,000</b>	<b>2,25,000</b>	<b>52,500</b>	<b>3,82,500</b>		

\* for attending Remuneration Committee and Committee of Directors and Investors' Grievances Committee meetings.

+ Mr. S K Mehera did not seek re-election as Director at the last Annual General Meeting due to his attaining the age of 84 years and consequently he ceased to be a member of the Audit Committee and Remuneration Committee.

##### B. Remuneration to Executive Director/Whole time Director

The appointment of Executive Director/Whole time Director is governed by the recommendation of the 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 Executive Director/Whole time Director is governed by the respective Agreements executed

between them and the Company. The remuneration package of Executive Director/Whole time 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 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 Executive Director/Whole time Director.

Name of the Executive Director	Salary (Rs)	Benefits (Rs) *	Remarks
Mr. Nirmal Pujara	18,00,000	10,20,543	Appointment for a period of 5 years from 1 January 2013 to 31 December 2017. The contract is terminable by either party by giving 3 months notice.

\* Inclusive leave salary amount of Rs. 6,65,000/-

### 5. Investors' Grievances Committee

The Board has set up an Investors' Grievances Committee consisting of one independent non-executive Director and one promoter non-executive Director as under:

- I) Dr. G. Goswami - Chairman (Independent non-executive Director)
- ii) Mr. B. Wadhwa - Member (Promoter non-executive Director)

During the financial year ended 31 March, 2013, one Investors' Grievances Committee meeting was held on 11 February 2013.

The details of the position of the shareholders' complaints 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 31 March 2013 - NIL

Investors' grievances are resolved expeditiously.

Mr. Surajit Sen, Company Secretary has been designated as Compliance Officer.

### 6. General Body Meeting

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

Financial Year	Location of Meeting	Date	Time
2009-2010	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani, Kolkata-700 017	29 September 2010	10.30 A.M.
2010-2011	Bengal National Chamber of Commerce & Industry 1 <sup>st</sup> Floor, 23, Sir R N Mukherjee Road, Kolkata - 700001	13 August 2011	11.30 A.M.
2011-2012	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani, Kolkata-700 017	12 September 2012	10.30 A.M.

One Special Resolution was passed in the last Annual General Meeting to create, offer, issue and allot 2204786 nos equity shares at the face value of Rs.5/- each ranking pari-passu with the existing equity shares of the Company to the three Promoter Group Entities and to allot 2683045 nos convertible warrants to the same Promoter Group Entities on Preferential Basis in accordance with Chapter VII of SEBI (ICDR) Regulations, 2009.

### 7. Subsidiary

The Company has non-listed Indian Subsidiary Companies i.e. Champdany Constructions Ltd., Landale & Clark Ltd. and AIC Properties Ltd and West Bengal Multifiber Jute Park Ltd.\* These are not material subsidiaries.

- a) Financial Statement in particular the investments made by the subsidiary Companies are reviewed quarterly by the Audit Committee of the Company.
- b) All minutes of the meetings of the subsidiary companies 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 meetings.

\* West Bengal Multifiber Jute Park Ltd. ceased to be a subsidiary of the company with effect from 5 March 2013 on disinvestment of 80% equity shareholding to other companies.

#### **8. Disclosures**

- a) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its management & their relatives etc. that may have potential conflict with the interest of the Company at large.
- b) 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 Note No. 37 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.

The Company has complied with all the legal requirements related to Capital Markets and there were no strictures passed/penalties levied by Stock Exchange/SEBI or any other regulatory body.

#### **9. Means of Communication**

The un-audited 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 website of the Company after these are submitted to the Stock Exchanges. Our web site address is **www.jute-world.com**.

#### **10. General Shareholders' information**

##### **a) AGM date, time and venue :**

Annual General Meeting is to be held on 14 August 2013. At 10.30 A.M. at the Auditorium of Bengal National Chamber of Commerce and Industry, 1<sup>st</sup> Floor, 23, Sir R N Mukherjee Road, Kolkata-700 001.

##### **b) Financial Calendar :**

Financial year	:	1 April to 31 March.
Unaudited 1 <sup>st</sup> quarter results	:	Middle of August
Unaudited 2 <sup>nd</sup> quarter results	:	Middle of November
Unaudited 3 <sup>rd</sup> quarter results	:	Middle of February
Audited Annual Results	:	End May

##### **c) Book Closure period:** From 1 August 2013 to 14 August 2013 both days inclusive.

##### **d) Listing on Stock Exchange :**

The Company's Equity shares are listed on The Calcutta Stock Exchange Limited, Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. Annual Listing fees as prescribed have been paid to the Stock Exchanges for the year 2013-2014.

##### **e) Scrip Code :**

<u>Kolkata Stock Exchange</u>	<u>Bombay Stock Exchange</u>	<u>National Stock Exchange</u>
011001	532806	AICHAMP

**f) Stock price data:**

(in Rs.)

Month	BSE		NSE	
	High	Low	High	Low
April, 2012	21.35	16.25	20.40	16.35
May, 2012	25.40	18.05	25.65	15.80
June, 2012	26.80	22.60	31.30	22.10
July, 2012	25.55	18.10	30.25	18.10
August, 2012	22.55	17.75	21.35	18.15
September, 2012	21.80	18.85	23.70	18.15
October, 2012	20.35	16.25	21.50	16.25
November, 2012	21.90	17.10	20.40	17.00
December, 2012	26.10	19.95	20.45	17.10
January, 2013	24.60	19.20	20.20	16.10
February, 2013	21.75	19.05	25.20	18.00
March, 2013	21.55	19.80	24.00	18.95

**g) Registrar and Share Transfer Agents:**

The Company has appointed M/s.MCS Limited having its office at 77/2A, Hazra Road, Ground Floor, Kolkata – 700 029 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 30 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 2013:**

Group of Shares	Equity			
	No. of Share-holders	% of share-holders	No. of Shares held	% of Total Shares
1 to 500	2839	89.28	228861	0.93
501 to 1000	156	4.91	107350	0.43
1001 to 2000	88	2.77	125725	0.51
2001 to 3000	23	0.72	56414	0.23
3001 to 4000	14	0.44	47763	0.19
4001 to 5000	6	0.19	26980	0.11
5001 to 10000	4	0.12	27193	0.11
10001 to 50000	12	0.38	265973	1.07
50001 to 100000	7	0.22	504158	2.04
100001 and above	31	0.97	23347369	94.38
<b>GRAND TOTAL</b>	<b>3180</b>	<b>100.00</b>	<b>24737786</b>	<b>100.00</b>

Group of Shares	2% Preference Share			
	No. of Share-holders	% of share-holders	No. of Shares held	% of Total Shares
1 to 500	66	61.11	11510	0.10
501 to 1000	7	6.48	6532	0.05
1001 to 2000	6	5.55	8763	0.07
2001 to 3000	1	0.93	2700	0.02
3001 to 4000	4	3.70	13600	0.11
4001 to 5000	1	0.93	5000	0.04
5001 to 10000	1	0.93	10000	0.08
10001 to 50000	2	1.85	44932	0.36
50001 to 100000	2	1.85	141674	1.14
100001 and above	18	16.67	12169642	98.03
<b>GRAND TOTAL</b>	<b>108</b>	<b>100.00</b>	<b>12414353</b>	<b>100.00</b>

**j) Categories of Shareholders as on 31 March 2013 :**

Particulars	Equity			2% Preference		
	No. of Holders	Holding/ Shares held	% to Capital	No. of Holders	Holding/ Shares held	% to Capital
Promoters Group	31	12096729	48.90	21	9773156	78.72
Indian Financial Institutions/Banks	29	2748916	11.11	4	2558332	20.61
State Government	2	704	0.00	-	-	-
Foreign Institutional Investors	2	1332	0.00	-	-	-
Bodies Corporate	135	590831	2.39	7	6790	0.05
Trust & Foundations	1	10	0.00			
NRI	39	4156	0.02	-	-	-
Foreign Bodies Corporate	2	8533332	34.50	-	-	-
Individual & others	2939	761776	3.08	76	76075	0.62
<b>Total</b>	<b>3180</b>	<b>24737786</b>	<b>100.00</b>	<b>108</b>	<b>12414353</b>	<b>100.00</b>

**k) Dematerialization of shares :**

As on 31 March 2013, 52.79% of total holding of Equity Shares and 79.38% 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 Limited, 77/2A, Hazra Road, Ground Floor, Kolkata – 700 029, Telephone: (033) 2454-1892-93, Fax (033) 2454 –1961.

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 205A(5) of the Companies Act, 1956, 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. Following table gives information relating to such unclaimed dividend and the dates when due for transfer to IEPF:

	Date of payment of dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
Year ended 31 March 2005 & 31 March 2006	26 September 2006	25 September 2013	24 October 2013
31 March 2007 31 March 2008	1 September 2007 30 July 2008	31 August 2014 29 July 2015	30 September 2014 28 August 2015

**It may please be noted that once the unpaid amounts of dividend are transferred to IEPF no claims shall lay against the Company or the IEPF in respect of any amounts which were unclaimed or unpaid.**

The company has already transferred to the IEPF unpaid/unclaimed dividend for the financial year ended 31 March 2004 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 Directors 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 :**

As required under clause 49 of the Listing Agreement, the Auditors certificate on compliance of the Corporate Governance norms is annexed to the Directors' Report.

**r) CEO/CFO Certification :**

The Executive Director and the Chief Financial Officer (CFO) of the Company give Annual certification on financial reporting and internal controls to the Board in terms of Clause 49 for CEO/CFO Certification.

**11.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, Senior Management of the Company. All Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31 March 2013.

**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. Mr. Surajit Sen, Company secretary is the Compliance Officer for the purpose of these regulations.

**12. 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 is maintaining Chairman's Office for a non-executive Chairman. The Company has not adopted non-mandatory suggestions relating to a postal ballot system (except where compulsory under the Companies Act, 1956), sending six-monthly information to each household of shareholders and to training of Board members, tenure of independent Directors on the Board and whistle blower policy etc.

The above report has been placed before the Board of Directors Meeting held on 30 May 2013 and the same was approved.

For AI Champdany Industries Limited

Place : Kolkata  
Date : 30 May 2013

B Wadhwa }  
N Pujara } Directors

## Certification by CEO and CFO

We, N Pujara, Executive Director and Wajid Ali, Chief Financial Officer (CFO) of **AI Champdany Industries Ltd.**, certify that:

- a) We have reviewed financial statements and cash flow statement for the year ended 31 March 2013 and to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31 March 2013 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 have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant changes in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting except shortage found between physical and book stock of 45 MT valued at Rs. 128.13 lacs of Flax Yarn, has been adjusted in the books and the matter is under investigation.

Place: Kolkata  
Date: 30 May 2013

Wajid Ali  
Chief Financial Officer

N Pujara  
Executive Director

### Financial information of the Subsidiary Companies for the year 2012-13

(Rs. In lacs)

	<b>Champdany Constructions Ltd</b>	<b>Landale &amp; Clark Ltd</b>	<b>AIC Properties Ltd</b>
a) Capital	810.20	20.00	5.00
b) Reserves	49.64	6.22	(2.21)
c) Total Assets	1350.15	102.52	3.86
d) Total Liabilities	1350.15	102.52	3.86
e) Investments	1.95	18.23	-
f) Turnover/ Total Income	500.96	4.74	0.20
g) Profit/(Loss) before Tax	3.73	1.42	(0.03)
h) Provision for Tax	-	0.49	0.17
i) Profit/(Loss) after Tax	3.73	0.93	(0.20)
j) Proposed Dividend	-	-	-



## AI CHAMPDANY INDUSTRIES LIMITED

### Annexure to the Directors' Report

Information as per Section 217 (1)(e) read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31 March 2013.

#### A. CONSERVATION OF ENERGY

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

- a) Replacement of HSPV lamp fittings with metal Halide Lamp Fittings and good quality copper ballast.
- b) Have planned for installation of all the spinning frames motors to outside of the machine to reduce the following :
  - i) Power Consumption
  - ii) Ball Bearing & Grease consumption.
  - iii) Breakdown & Fire Hazard as well as increase the productivity.
- c) Power factor already improved from 94% to 95% in the CESC Power Bill to get more rebate.

Continuous monitoring of system voltage and power factor to minimize losses , follow rigid routine preventive /predictive maintenance schedule of machine use of energy efficient motors, light fittings and luminaries , 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"

	<b>Current year</b>	<b>Previous year</b>
<b>a) POWER AND FUEL CONSUMPTION</b>		
<b>i) ELECTRICITY</b>		
a) Purchased Units (KWH)	28928358	23719485
Total Amount (Rs. in lacs)	2087.30	1491.09
Rate / Unit (Rs.)	7.22	6.29
b) Own Generation through Diesel Generator (Units)	97133	155942
Units per liter of Oil	2.74	2.49
Cost / Unit (Rs.)	15.21	19.43
<b>ii) COAL</b>		
(B grade used for generation of steam in boiler)		
Quantity (M. Ton.)	128	491
Total Cost (Rs. in lacs)	12.44	40.95
Average Rate (Rs.)	9716	8348
<b>b) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity (KWH/MT)		
Jute/Jute diversified Products and Services	560	538
Flax Products	3442	4383
Coal per ton of Production (M.Ton)		
Jute/Jute diversified Products and Services	-	0.01
Flax Products	-	-
Production (M. Ton.)		
Jute & Jute Diversified Products and Services	49656	41695
Flax Product	356	326

## "FORM B"

### B. TECHNOLOGY ABSORPTION

#### Research and Development (R & D)

R&D Projects are being pursued in house and in conjunction with IJIRA/Jute Board for development of value added items having combinations of jute blended with other natural and man made 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 and 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 :	4911.95	4,279.97
Earned :	6591.91	21,921.46

On behalf of the Board

Place: Kolkata  
Date: 30 May 2013

B Wadhwa }  
N Pujara } Directors

## Independent Auditor's Report

### To the Members of AI CHAMPDANY INDUSTRIES LIMITED.

We have audited the accompanying financial statements of AI Champdany Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

A. We report that: -

I) The year's profit, and consequently, the net asset position at the end of the year might have been affected by the following, the net impact of which cannot at this stage be ascertained:

- i) non ascertainment of profit / loss on outstanding commodity hedging materials as at the end of the year, referred to note 45 to the Accounts.*
- ii) pending assessment of losses in respect of stocks of finished goods damaged by fire, no adjustment has been made to the accounts as referred to in note 46 to the Accounts,*
- iii) non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1.4.1997 to 31.03.2007 in respect of one unit of the company as referred to in note 47 to the Accounts,\**
- iv) recognition of remission of taxes by Sales Tax Authority in the accounts as referred to in Note 48(a) to the Accounts,\**
- v) non-ascertainment/provision of possible loss which may arise for non-recovery of interest free loans and advances in the nature of loans as referred to in note 48 (b) to the Accounts,\**

\* relates to erstwhile Anglo India Jute Mills Company Limited.

II) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and subject to our foregoing observations in para A(I) give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31 March 2013 and
- b) in the case of Statement of Profit & Loss, of the Profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

- B. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- C. As required by section 227(3) of the Act, we report that:
- a) subject to our observations set out in para A(I) above, we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit
  - b) further subject to our observations set out in para A(I) above, in our opinion, proper books of accounts as required by law have been maintained by the Company, so far as appears from our examination of those books ;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For D. P. Sen & Co  
Chartered Accountants  
FRN 301054 E

S. K. NAYAK  
Partner  
Membership No.58711

Place : Kolkata,  
Dated: 30 May 2013.

---

#### **ANNEXURE TO AUDITOR'S REPORT**

(Referred to in Paragraph C of our Report of even date)

1.
  - a) At Jagatdal units proper records showing full particulars including quantitative details and situation of fixed assets have been maintained from the year 1970-1971. As explained to us that the Company has also identified fixed assets acquired in earlier periods, upto the year 1962-1963, and has built up records with aggregate value showing quantitative details and locations of the same but not the individual cost, and consequently such aggregate values could not be reconciled with the values of individual items acquired prior to 1970-1971 and recorded in the fixed assets register.  
  
At other units the company has maintained proper records showing full particulars including original and revalued costs, quantitative details and situation of fixed assets except for certain items of fixed assets acquired prior to 1 April 1962, which have been recorded on the basis of physical verification conducted during the year ended 31 March 1978 and values as estimated by the Management in the absence of original cost.
  - b) We have been informed that the Fixed Assets of the Company other than certain items of underground electrical installations have been physically verified during the year by the management, and in respect of items for which proper records have been maintained, no material discrepancies have been noticed.
  - c) No substantial part of the fixed assets has been disposed off during the year.

2. a) Inventory of the Company at all its locations have been physically verified by the management at reasonable intervals during the year. In the case of stocks lying with third parties, certificates confirming stocks held by them have been received. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures for verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) In our opinion, the inventory records are being properly maintained by the Company. Shortage found between the physical and book stocks, of 45 MT, valued Rs.128.13 lacs of flax yarn has been adjusted in the books; the matter is under investigation.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, clauses 4(iii) (b) to (d) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, taking into consideration the explanation that some purchases are special in nature for which comparative quotations from suitable alternative sources is not available, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act 1956 have been duly entered in the register required to be maintained in pursuance of Section 301 of the Companies Act 1956. The transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices of such goods, or prices of which transactions for similar items have been made with other parties.
6. The Company has not accepted any deposits from the public falling within the purview of Section 58A and 58AA or any other relevant provisions of the Act.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. Cost records and accounts as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, prima-facie is being maintained by the company. Though we have examined such books and records, we have not made any detailed examination with a view to determine whether they are accurate or complete.
9. a) According to the information and explanations given to us and as per the records of the company examined by us, we are of the opinion that the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, custom duty, cess, service tax and any other material statutory dues with the appropriate authorities. There are no outstanding undisputed amounts in respect of such statutory dues as at 31 March 2013 for a period of more than six months from the date they became payable. As explained to us the company has no over due liability towards investor education and protection fund, wealth tax and excise duty.
- b) The disputed statutory dues have not been deposited on account of matters pending before appropriate authorities are as under:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs Lakhs)</b>	<b>Forum where the dispute is pending</b>
Bhatpara Municipality	Municipal Taxes Land Revenue	113.66	REVIEW BOARD
ESI Act	ESI dues	259.79	ESI COURT
Central Sales Tax 1956 & West Bengal Sales Tax Act, 1994	Sales Tax	2.10 455.68 18.37	ACCT WBCTA & RB SJCCT

10. The company has no accumulated loss and has not incurred any cash loss during the financial year covered by our audit and the immediately preceding financial year.

11. According to explanations and information obtained and based on our examination of the records the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. On the basis of our examination of the books and records of the company and according to information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. No provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments and thus the provisions of clause 4(xiv) of the Order are not applicable to the company.
15. The company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. According to information and explanations obtained and on the basis of examination of the books and records, we report that the company has taken term loan during the financial year 2012-2013 has been applied for the purpose for which the loan was obtained from Bank.
17. An overall examination of the balance sheet of the company and as per information and explanations obtained, no funds raised on short-term basis have been used for long-term investments.
18. The company has made preferential allotment of 2204786 nos of Equity Shares of face value of Rs. 5 each of at a price Rs. 20.50 (including premium Rs. 15.50) per share and 2683045 nos of convertible share warrants at a price of Rs. 20.50 (including premium of Rs. 15.50) per warrant, 25% paid up during the year with the right to convert each warrants into one fully paid up Equity share of face value of Rs.5 not before 31.03.2013 and not later than 18 months from the date of allotment of convertible warrants i.e. within 25.03.2014 to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year and neither does it have any debentures outstanding at the year-end.
20. The company has not raised any money by way of public issue during the year.
21. While conducting an examination of the books and records of the company in accordance with the generally accepted auditing practices in India, and according to all information and explanations given to us, we have not come across any fraud on or by the company, noticed or reported during the year.

Place : Kolkata,  
Dated: 30 May 2013.

For D. P. Sen & Co  
Chartered Accountants  
FRN 301054 E  
S. K. NAYAK  
Partner  
Membership No.58711

**AI CHAMPDANY INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 2013**

Rs. in lacs

	Notes	As at 31 st March	
		2013	2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	2	<b>1,857.61</b>	1,967.37
Reserves and Surplus	3	<b>8,598.51</b>	8,952.12
Money received against Share Warrants		<b>137.51</b>	-
<b>Non - Current Liabilities</b>			
Long Term Borrowings	4	-	351.99
Deferred Tax Liabilities (Net)		<b>140.13</b>	165.54
Other Long Term Liabilities	5	<b>2,013.01</b>	1,569.01
<b>Current Liabilities</b>			
Short Term Borrowings	6	<b>9,651.17</b>	9,664.33
Trade Payables	7	<b>3,767.94</b>	3,442.36
Other Current Liabilities	8	<b>2,002.26</b>	2,289.83
Short Term Provisions	9	<b>355.53</b>	506.88
<b>TOTAL</b>		<b>28,523.67</b>	28,909.43
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Fixed Assets			
Tangible Assets	10	<b>8,706.41</b>	9,214.24
Capital Work-in-Progress		<b>1,270.38</b>	1,296.38
Non Current Investments	11	<b>890.99</b>	894.59
<b>Current Assets</b>			
Inventories	12	<b>13,356.68</b>	13041.63
Trade Recievables	13	<b>2,666.58</b>	2738.50
Cash and Cash Equivalents	14	<b>85.97</b>	25.71
Short Term Loans and Advances	15	<b>1,546.66</b>	1698.38
<b>TOTAL</b>		<b>28,523.67</b>	28,909.43
Significant Accounting Policies	1		
<p>Accompanying notes form integral part of the financial statements . In terms of our report of even date attached. For D.P. Sen &amp; Co. Chartered Accountants FRN 301054E S. K. Nayak Partner Membership No.58711 Kolkata, 30 May 2013</p>			
		<p>On behalf of the Board B Wadhwa } N Pujara } Directors</p>	
		<p>Surajit Sen Company Secretary &amp; Controller (Finance &amp; Accounts)</p>	

**AI CHAMPDANY INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013**

Rs. in lacs

	Notes	2012-13	2011-12
<b>INCOME</b>			
Revenue from Operations	16	<b>35,166.61</b>	39,068.06
Other Income	17	<b>226.64</b>	372.56
		<b>35,393.25</b>	39,440.62
<b>EXPENSES</b>			
Cost of Materials Consumed	18	<b>19,207.62</b>	23,723.40
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	19	<b>(434.41)</b>	651.63
Employee benefits Expenses	20	<b>8,536.45</b>	6,879.55
Finance Cost	21	<b>905.50</b>	801.48
Depreciation and Amortization Expenses	10	<b>788.90</b>	790.63
Less: Depreciation on Amount Added On Revaluation		<b>(77.48)</b>	(76.04)
Less: Recoupment from Capital Reserves		<b>(17.25)</b>	(17.25)
Other Expenses	22	<b>6,404.21</b>	6,264.72
		<b>35,313.54</b>	39,018.12
Profit Before Exceptional Items		<b>79.71</b>	422.50
Exceptional Items		-	(361.37)
<b>Profit Before Tax</b>		<b>79.71</b>	61.13
Tax Expenses			
Current Tax/MAT		<b>17.91</b>	13.15
Deferred Tax(Asset)		<b>(25.41)</b>	(27.03)
<b>Profit After Tax</b>		<b>87.21</b>	75.01
Adjustment Relating to earlier year (Taxes)		<b>(44.09)</b>	(7.18)
Profit after adjustment Relating to earlier years		<b>43.12</b>	67.83
Earnings per share (face value of Rs 5 each)			
Basic (Re)		<b>0.17</b>	0.30
Diluted (Re)		<b>0.16</b>	0.30
Significant Accounting Policies	1		

Accompanying notes form integral part of the financial statements.

In terms of our report of even date attached.

For D.P. Sen & Co.

Chartered Accountants

FRN 301054E

S. K. Nayak

Partner

Membership No.58711

Kolkata, 30 May 2013

On behalf of the Board

B Wadhwa }  
N Pujara } Directors

Surajit Sen

Company Secretary &

Controller (Finance & Accounts)



**AI CHAMPDANY INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013**

Rs. in lacs

	2012-13	2011-12
<b>A. Cash flow from Operating activities :</b>		
Profit before Taxation		61.13
Add:- Adjustments for :		
Depreciation and Amortisation	694.17	697.34
Dividend from Investments	(2.28)	(22.59)
Interest and Finance Charges	905.50	801.48
Interest Income	(0.04)	(0.95)
Surplus (Net) on disposal of Fixed Assets	(0.44)	(121.15)
	<b>1,596.91</b>	1,354.13
Operating Profit before Working Capital Changes		1,415.26
Add/(Less):- Adjustments for :		
(Increase)/Decrease in Inventories	(315.04)	1,081.23
(Increase)/Decrease in Trade and Other Receivables	223.64	(570.25)
(Decrease)/Increase in Trade Payables and other Liabilities	416.21	(141.33)
	<b>324.81</b>	369.65
Cash Generated from Operations :		1,784.91
Direct Taxes paid	(28.80)	(10.07)
Interest Paid	(907.04)	(802.67)
	<b>(935.84)</b>	(812.74)
Net Cash from / (used in) Operating Activities		972.17
<b>B. Cash flow from Investing Activities :</b>		
Purchase of Fixed Assets	(850.34)	(584.21)
Sale /Adjustment of Fixed Assets	14.32	122.29
Sale of Investment	3.60	-
Interest Received	0.04	0.95
Dividend Received	2.28	22.59
Capital Subsidy Received	-	6.41
Net Cash from / (used in) Investing Activities		(431.97)
<b>C. Cash flow from Financing Activities :</b>		
Proceeds from Share Capital/Warrants	589.49	-
Proceeds from Loans	-	1,300.00
Repayments of Loans	(468.68)	(4,668.69)
Increase / (Decrease) in Bank Borrowings	(13.16)	2,655.35
Dividend Paid	(54.18)	(0.60)
Tax on Dividend Paid	(8.70)	-
Repayment of Preference Shares	(220.00)	-
Net Cash from / (used in ) Financing Activities		(713.94)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		(173.74)
Cash and Cash Equivalents as at 1 April 2012		199.45
Cash and Cash Equivalents as at 31 March 2013		25.71

In terms of our report of even date attached

For D.P. Sen & Co.  
Chartered Accountants  
FRN 301054E  
S. K. Nayak  
Partner  
Membership No.58711  
Kolkata, 30 May 2013

Surajit Sen  
Company Secretary &  
Controller (Finance & Accounts)

On behalf of the Board  
B Wadhwa }  
N Pujara } Directors

**AI CHAMPDANY INDUSTRIES LIMITED**  
**NOTES ON ACCOUNTS**

1. Significant Accounting Policies:

The significant accounting policies followed by the company are summarized below: -

1.1. Accounting Convention:

The Financial statements have been prepared in accordance with accrual method of accounting following the historical cost convention as modified by revaluation of certain Fixed Assets.

1.2. Fixed Assets:

Fixed Assets are stated at cost of acquisition, which are, inclusive of subsequent improvements thereto except for certain Fixed Assets, which were revalued. For Assets acquired at a composite price at cost as allocated to each assets by independent Valuers. Assets retired from active use are stated at values estimated by independent valuers.

Cost includes incidental expenses of acquisition/installation and financial cost relating to borrowed funds attributable to construction/ acquisition of fixed assets for the period upto commencement of commercial production / installation.

In respect of revalued assets, the difference between the written down value of the assets as on the date of revaluation and the then replacement value is transferred to Revaluation Reserve.

1.3. Depreciation:

A) Depreciation on Fixed Assets has been provided for both on Straight line and Reducing balance method as hereunder. Method and rates consistently used for the purpose of depreciation charged for the year as follows:

1) Plant & Machinery and Electrical Installation

Units at Jagatdal

a) Straight Line Method

i) Certain specified items (included in electrical installation)

- Additions for the period 1.1.71 to 31.3.87 \* 5.25%

ii) Plant and Machinery and Electrical Installation

(other than (i) above)

- Additions for the period 1.1.77 to 31.12.82 (on single shift basis) \* 3.39%

- Additions for the period 1.1.83 to 31.3.87 (on single shift basis) \* 5.28%

- Additions from the year 1987-88 At rates prescribed in Schedule XIV of the Companies Act, 1956.

\* Rates applied in prior years following the company Law Board Circular No. 1/86 dated 21 May 1986.

b) Reducing Balance Method

Certain portion of Electrical Installation and Plant & Machinery (added upto 1976)

At rates prescribed in Schedule XIV of the Companies Act, 1956.

Other Units

i) Reducing Balance Method

On Plant & Machinery acquired prior to 1 April 1979

At rates prescribed in Schedule XIV of the Companies Act, 1956.

ii) Straight Line Method

On Plant & Machinery acquired after 31 March 1979 on assets acquired upto 30 September 1986

At rates previously determined in accordance with Section 205(2)(b) of the Companies Act, 1956.

On assets acquired after 30 September 1986

At rates prescribed in Schedule XIV of the Companies Act, 1956.

2) Other assets on reducing balance Method

At rates prescribed in Schedule XIV of the Companies Act, 1956.

B) Premium paid for leasehold land is amortised over the period of the lease.

C) Freehold land and assets retired from active use are not depreciated.

1.4. Investments:

Long-term investments are stated at cost less provision for permanent diminution if any, in the value of such investment. Dividend Income is accounted for on receipt.

1.5. Inventories:

Inventories are valued on the following basis: (i) Raw Material at lower of cost and net realisable value, (ii) Finished Goods at lower of cost and contract value and net realisable value, (iii) Stores & Spares and work-in-process at cost or under.

In the case of Raw Materials and Stores & Spares, cost is generally ascertained on weighted average basis. Work-in-process and Finished Goods are valued on full cost absorption basis. Necessary provision is made for obsolete, slow-moving, non-moving and defective items of inventories.

1.6. Capital Subsidy:

Subsidies relating to Fixed Assets are initially credited to Capital Reserve and the amount is adjusted against the depreciation charged over the useful life of the asset.

1.7. Miscellaneous expenses:

Share issue expenses are amortized over a period of ten years.

1.8. Foreign Currency transactions:

i) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are translated at closing spot rates on the last day of the year.

ii) The difference in translation in monetary assets and liabilities and realised gains and losses in foreign exchange transactions other than those relating to fixed assets are recognised in the Statement of Profit and Loss.

iii) Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets.

1.9. Sales:

Sales comprise sale of goods and services and include freight and other charges recovered from customers.

1.10. Related Income:

Export incentives / Related Income are accounted to the extent considered certain of realisation by the Management.

1.11. Retiral benefits:

Contributions to the Provident and Superannuation Funds, which are in accordance with the respective schemes, are charged to revenue on accrual basis.

Retirement benefits including gratuity are provided for in the Books of Accounts on the basis of actuarial valuation except for one unit of the company, which has been treated on cash basis from 1997-98 to 2006 -07.

Such liability has been provided on the basis of valuation made by the Actuary in line with the parameters and requirement of AS 15 (Revised 2005) issued by the Institute of Chartered Accountants of India.

1.12. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.13. Revenue expenditure on Research and Development is recognised in the Statement of Profit and Loss of the year in which it is incurred.

1.14. Capital expenditure on Research and Development is shown as addition to Fixed Assets.

1.15. Insurance claims are recognised on receipt/assessment of related claim from Insurance Authorities.

1.16. Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Computer Software is amortised over a period of 5 years on Straight Line basis.

## 2. SHARE CAPITAL

		Rs. in lacs		
		Par Value	31.03.2013	31.03.2012
2.1	Authorised	Rs		
	40000000 Equity Shares	5	2,000.00	2,000.00
	3000000 Preference Shares	10	300.00	300.00
	24000000 Preference Shares	5	1,200.00	1,200.00
			<u>3,500.00</u>	<u>3,500.00</u>
	Issued, Subscribed and fully paid			
	24,737,786 (31.03.2012-22,533,000) Equity Shares	5	1,236.89	1,126.65
	Nil (31.03.2012-2,200.000) 7% Preference Shares	10	-	220.00
	12,414,353 (31.03.2012-12,414,353) 2% Preference Shares	5	620.72	620.72
			<u>1,857.61</u>	<u>1,967.37</u>

2.2. 2,204,786 equity shares has been allotted on 25.09.2012 to promoter group companies on preferential basis under SEBI (ICDR ) Regulation 2009 with a locking period 3 years. Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up. The Company has allotted 2,200,000 7% Cumulative Preference Shares of Rs 10 each on 25.09.04. which are redeemable at par on or before the expiry of 20 years from the date of allotment, has been redeemed during the current year. The company has allotted 12,414,353 non-convertible 2% Cumulative Preference Shares of Rs 5 each on 30.03.2010 which are redeemable at par on or before fifteen years from the date of allotment with a locking period of 3 years. Preference shareholders are entitled to get fixed rate of dividend in preference to the equity share but are not entitled to vote at General Meeting of the Company unless dividend has been in arrears for the prescribed minimum period.

## 2.3. Reconciliation of number of shares

	Equity shares of Rs. 5 each	Rs. in lacs	7% Cumulative Preference shares of Rs. 10 each	Rs. in lacs	2% Cumulative Preference shares of Rs. 5 each	Rs. in lacs
Outstanding as at April1,2011	22,533,000	1,126.65	2,200,000	220.00	12,414,353	620.72
Issued and Alloted during the Previous Year	-	-	-	-	-	-
Outstanding as at March31/ April1,2012	22,533,000	1,126.65	2,200,000	220.00	12,414,353	620.72
Issued and Alloted/( redeemed) during the Year	2,204,786	110.24	(2,200,000)	(220.00)	-	-
Outstanding as at March 31,2013	24,737,786	1,236.89	-	-	12,414,353	620.72

#### 2.4. Share holders holding more than 5% shares in the Company

	31.03.2013		31.03.2012	
	No of Shares	% Holding	No of Shares	% Holding
I Equity Shares of Rs. 5 each				
Aldgate International S A	4,266,666	17.25	4,266,666	18.94
Blancatex A G	4,266,666	17.25	4,266,666	18.94
Damodardas Jerambhai Wadhwa	2,645,642	10.69	2,645,642	11.73
Canara Bank	1,949,332	7.88	1,949,332	8.65
Rishra Investments Ltd	2,734,876	11.06	1,828,426	8.11
Shibir India Ltd	2,103,269	8.50	1,406,159	6.24
Amar Investments Ltd	1,813,976	7.33	1,212,750	5.38
Gordhandas Jerambhai Wadhwa	1,189,300	4.81	1,189,300	5.28
II 7% Cumulative Preference Shares of Rs. 10 each				
Damodardas Jerambhai Wadhwa	-	-	595,000	27.05
Shibir India Ltd	-	-	500,000	22.73
Gunny Dealers Ltd	-	-	500,000	22.73
Rishra Investments Ltd	-	-	500,000	22.73
III 2% Cumulative Preference Shares of Rs. 5 each				
G Jerambhai Exports Ltd	4,927,605	39.69	4,927,605	39.69
Damodardas Jerambhai Wadhwa	2,645,642	21.31	2,645,642	21.31
Canara Bank	1,949,332	15.70	1,949,332	15.70
Gordhandas Jerambhai Wadhwa	1,189,300	9.58	1,189,300	9.58

3. Reserves and Surplus	Rs. in lacs						
	01.04.2011	Add/(Less) during the year	31.03.2012	Dividend & Tax	Addition during the year	Adjustment during the year	31.03.2013
Security Premium Reserve	2,464.00	-	2,464.00	-	341.74	-	2,805.74
Capital Reserve	64.99	(10.84)	54.15	-	-	(17.25)	36.90
Capital Redemption Reserve	75.00	-	75.00	-	60.00	-	135.00
Revaluation Reserve	3,456.63	(76.04)	3,380.59	-	-	(658.86)	2,721.73
General Reserve	2,887.66	-	2,887.66	-	-	-	2,887.66
Deferred Tax Reserve	8.53	-	8.53	-	-	-	8.53
Surplus	14.36	67.83	82.19	(62.36)	43.12	(60.00)	2.95
	8,971.17	(19.05)	8,952.12	(62.36)	444.86	(736.11)	8,598.51

4. Long Term Borrowings	Rs. in lacs	
	31.03.2013	31.03.2012
Secured		
Term Loans		
Financial Institution	-	351.99

Loans from Export Import Bank of India (Exim Bank) is secured by first charge on the entire fixed assets of the company, present and future and also pledge of 100% shareholding of Champdany Constructions Ltd, a wholly owned subsidiary of the company and second pari-passu charge on the entire current assets of the company, present and future.

Project loan of Rs. Nil (Previous year Rs. 116.69 lacs) is repayable in 13 half yearly instalments from the date of loan, by September, 2013

Long Term working capital loan of Rs. Nil (Previous year Rs. 235.30 lacs) is repayable in 17 quarterly instalments from the date of loan, by January, 2014

		<u>Rs. in lacs</u>
5. Other Long Term Liabilities	<u>31.03.2013</u>	<u>31.03.2012</u>
Unsecured Loans		
From Bodies Corporate	290.00	290.00
Interest accrued and due	<u>29.01</u>	<u>29.01</u>
	319.01	319.01
Other Payable	<u>1,694.00</u>	<u>1,250.00</u>
	<u>2,013.01</u>	<u>1,569.01</u>
6. Short Term Borrowings- From Banks - Secured		<u>Rs. in lacs</u>
-Loan repayable on demand	<u>31.03.2013</u>	<u>31.03.2012</u>
-Cash Credit/Packing Credit Accounts *	6,878.40	7,512.54
-Working Capital Demand Loan*	600.00	1,300.00
-Others*	<u>2,172.77</u>	<u>851.79</u>
	<u>9,651.17</u>	<u>9,664.33</u>

\* Secured by hypothecation on stocks of raw material, stock -in-process, stores, manufactured goods, book debts, bill, moveable plant and machinery and other current assets and also mortgage on second charge basis by deposit of title deeds by constructive delivery with Exim Bank, Exim Bank acting as agent of the consortium of banks, all documents of title evidences, deeds and writings in order to create a security on the Company's immovable properties together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth, and also by way of second charge on 100% shareholding of Champdany Constructions Ltd, a wholly owned subsidiary of the Company.

		<u>Rs. in lacs</u>
7. Trade Payables	<u>31.03.2013</u>	<u>31.03.2012</u>
Acceptances	937.91	1,132.80
Others	<u>2,830.03</u>	<u>2,309.56</u>
	<u>3,767.94</u>	<u>3,442.36</u>

There are no dues to Micro and Small Enterprises, determined to the extent such parties have been identified on the basis of information available with the Company, as at March requires disclosures under the Micro, Small and Medium Enterprises Development Act, 2006.

		<u>Rs. in lacs</u>
8. Other Current Liabilities	<u>31.03.2013</u>	<u>31.03.2012</u>
Current maturities of long term loan	351.99	468.68
Interest accrued but not due on borrowings	1.24	2.78
Advance from Customers	206.41	151.71
Employee benefits liabilities	632.71	521.14
Unpaid Dividend	5.37	5.89
Fractional Share amount	0.12	0.12
Redemption of Preference Shares	0.56	0.56
Deposits	55.03	40.87
Others	748.83	1,098.08
	<u>2,002.26</u>	<u>2,289.83</u>
9. Short Term Provisions	<u>31.03.2013</u>	<u>31.03.2012</u>
Short term employee benefits	260.82	445.37
Provision for taxation (net)	94.71	61.51
	<u>355.53</u>	<u>506.88</u>

Rs. in lacs

FIXED ASSETS	GROSS BLOCK AT COST / VALUATION						DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1 April 2012	Increase in value on revaluation	Additions during the year	Sales / Adjustments during the year	As at 31 March 2013	As at 1 April 2012	For the year	On assets sold/adjusted during the year	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
	Tangible Assets											
Freehold Land	3,123.78	-	-	532.80	2,590.98	-	-	-	-	-	2,590.98	3,123.78
Leasehold Land	197.34	-	-	-	197.34	31.97	2.24	-	34.21	-	163.13	165.37
Buildings	4,955.79	-	98.11	77.50	4,976.40	3,500.17	122.91	15.06	3,608.02	3,608.02	1,368.38	1,455.62
Plant and Equipment	21,995.59	-	776.68	-	22,772.27	17,572.26	652.68	-	18,224.94	18,224.94	4,547.33	4,423.33
Vehicles	78.74	-	0.24	2.53	76.45	64.70	3.81	2.51	66.00	66.00	10.45	14.04
Furniture and Fixtures	89.70	-	-	0.61	89.09	78.28	2.07	0.60	79.75	79.75	9.34	11.42
Office Equipments	196.76	-	1.31	-	198.07	176.08	5.19	-	181.27	181.27	16.80	20.68
Total	30,637.70	-	876.34	613.44	30,900.60	21,423.46	788.90	18.17	22,194.19	22,194.19	8,706.41	9,214.24
As at 31 March 2012	30,274.34	-	421.02	57.66	30,637.70	20,689.35	790.63	56.52	21,423.46	21,423.46	9,214.24	

a) Lease hold land relates to 12.27 acres and 21.60 acres of land at Beldanga and Choudwar taken on lease for a period of 99 years and 59 years in the year of 1993 and 2004 respectively

b) Value of free hold land and building of Beldanga unit have been increased by Rs.521.57 lacs and Rs.65.13. lacs respectively on account of revaluation during last five years.

	<u>Rs. in lacs</u>	
	<u>31.03.2013</u>	<u>31.02.2012</u>
11. Non Current Investment(held at cost unless stated otherwise)		
Trade Investment		
Investment in Equity Instruments-Fully paid		
Woolcombers of India Limited (in liquidation) (held other than cost)	-	-
1,63,592 Shares of Rs 10 each in, Re.1 (31.03.12 Re.1)		
Other Investment		
Investment in Equity Instruments-Fully paid		
Quoted		
Tata Global Beverages Limited,		
4650 Equity Shares of Re.1 each	0.02	0.02
UCO Bank		
15,000 Equity Shares of Rs. 10 each	4.49	4.49
Oil Country Tubular Limited,		
40,000 Equity Shares of Rs. 10 each	8.78	8.78
Rama Newsprint and Paper Limited,		
10,000 Equity shares of Rs.10 each	5.88	5.88
Fresenius Kabi Oncology Limited		
12,500 Equity Shares of Re. 1 each	6.25	6.25
Aptech Limited,		
10,300 Equity Shares of Rs. 10 each	3.67	3.67
Unquoted		
Champdany Constructions Limited.(Subsidiary)		
81,01,959 Equity Shares of Rs.10 each	812.20	812.20
West Bengal Mulifiber Jute Park Limited		
9,000 (previous year 45000) Equity Shares of Rs.10 each	0.90	4.50
Landale & Clark Limited (Subsidiary)		
20,000 Equity Shares of Rs. 100 each	43.25	43.25
AIC Properties Limited (Subsidiary)		
50,000 Equity Shares of Rs.10 each	5.00	5.00
Naffar Chandra Jute Mills Limited.		
50,000 Equity Shares of Rs.10 each	0.10	0.10
Woodlands Multispeciality Hospital Limited		
3,600 Equity Shares of Rs.10 each	0.36	0.36
Wellington Jute Mills Employees' Consumers		
Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	0.03	0.03
Anglo India Employees		
Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	0.02	0.02
Investment in Government Securities		
National Savings Certificate (VIII) Issue	0.04	0.04
	<u>890.99</u>	<u>894.59</u>
1) Aggregate amount of quoted investment	29.09	29.09
2) Aggregate market value of quoted investment	50.00	63.83
3) Aggregate amount of unquoted investment	861.90	865.50



		<u>Rs. in lacs</u>	
		<u>31.03.2013</u>	<u>31.03.2012</u>
12.	Inventory (Please refer Note 1.5 for accounting policy for valuation)		
	Raw Materials	1,950.49	2,047.81
	Work-in-Process	1,330.88	1,508.74
	Finished Goods	9,263.52	8,624.29
	Stock- in-Trade	-	26.97
	Stores and Spares	779.89	801.92
	Others	31.90	31.90
		<u>13,356.68</u>	<u>13,041.63</u>
	1)Finished goods includes material in transit	283.01	78.28
	2)Stock in Trade includes material in transit	-	26.97
			<u>Rs. in lacs</u>
		<u>31.03.2013</u>	<u>31.03.2012</u>
13.	Trade Receivables(Unsecured, considered good)		
	Outstanding for a period of above 6 months	114.93	112.07
	Others	2,551.65	2,626.43
		<u>2,666.58</u>	<u>2,738.50</u>
			<u>Rs. in lacs</u>
		<u>31.03.2013</u>	<u>31.03.2012</u>
14.	Cash and Cash Equivalents		
	Balance with banks	72.68	19.45
	Cash in hand	13.29	6.26
		<u>85.97</u>	<u>25.71</u>
	Balance with bank includes		
	-in unpaid dividend account	5.38	6.01
	-in redemption cum unpaid dividend account	0.56	1.05
	-in fractional share account	0.12	0.12
			<u>Rs. in lacs</u>
		<u>31.03.2013</u>	<u>31.03.2012</u>
15.	Short Term Loans and Advances (Unsecured, considered good)		
	Security Deposit	60.84	75.15
	Claim receivables	1,246.32	1,400.94
	Prepaid expenses	22.34	.24.00
	Loan to employees	7.57	9.55
	Other Loans and Advances	209.59	188.74
		<u>1,546.66</u>	<u>1,698.38</u>
	Maximum outstanding balance of interest free loans to employees during the year	Rs. 12.51 lacs	
	(Previous year Rs. 13.72 lacs)		
			<u>Rs. in lacs</u>
		<u>2012-13</u>	<u>2011-12</u>
16.	Revenue from operations		
	Sale of Products, Services and Related Income	35,420.45	39,307.84
	Less-Excise duty and Cess	253.84	239.78
		<u>35,166.61</u>	<u>39,068.06</u>
			<u>Rs. in lacs</u>
		<u>2012-13</u>	<u>2011-12</u>
17.	Other Income		
	Interest Income	0.04	0.95
	Profit on sale of fixed assets	0.44	121.15
	Insurance Claims	4.98	-
	Dividend Income	2.28	22.59
	Rent Received	209.64	102.78
	Miscellaneous Income	3.74	125.09
	Liabilities no longer required written back	5.52	-
		<u>226.64</u>	<u>372.56</u>

		<u>Rs. in lacs</u>	
		2012-13	2011-12
18.	Cost of Material Consumed		
	Jute, Flax Fibres and Other Materials	19,207.62	23,723.40
		<u>Rs. in lacs</u>	
		2012-13	2011-12
19.	Changes in Inventories		
	Opening Stock		
	Finished Goods	8,624.29	8,557.68
	Work-in-Process	1,508.74	1,803.35
	Stock- in-Trade	26.97	450.60
	(A)	<u>10,160.00</u>	<u>10,811.63</u>
	Closing Stock		
	Finished Goods	9,263.53	8,624.29
	Work-in-Process	1,330.88	1,508.74
	Stock- in-Trade	-	26.97
	(B)	<u>10,594.41</u>	<u>10,160.00</u>
	(A-B)	(434.41)	651.63
		<u>Rs. in lacs</u>	
		2012-13	2011-12
20.	Employee Benefits Expenses		
	Salaries, Wages and Bonus	7,615.01	5,824.45
	Contribution to Provident and other Funds	849.70	988.96
	Employee welfare expenses	71.74	66.14
		<u>8,536.45</u>	<u>6,879.55</u>
		<u>Rs. in lacs</u>	
		2012-13	2011-12
21.	Finance Cost		
	Interest expenses	122.69	220.86
	Fixed loans	782.81	580.62
	Others	905.50	801.48
		<u>Rs. in lacs</u>	
		2012-13	2011-12
22.	Other Expenses		
	Stores and spares consumed	1,388.46	1,427.03
	Other Consumption	13.86	-
	Power and fuel	2,164.94	1,561.09
	Processing expenses	387.47	301.04
	Repairs to building	21.43	14.54
	Repairs to machinery	12.22	8.55
	Repairs (others)	3.40	2.41
	Insurance	104.04	115.97
	Rates and Taxes	64.24	62.46
	Export Freight	246.60	822.92
	Transport and handling	1,358.27	845.19
	Brokerage ,commission and export expenses	5.48	352.80
	Bank charges	199.39	268.73
	Discounting charges on export bills	45.41	121.37
	Rent	23.33	28.80
	Auditors Remuneration	3.37	3.31
	Directors Fees	3.83	3.45
	Miscellaneous expenses	358.47	325.06
		<u>6,404.21</u>	<u>6,264.72</u>

		<u>Rs. in lacs</u>	
		Year ended	Year ended
		<u>31.03.13</u>	<u>31.03.12</u>
23.	Estimated amount of contract remaining to be executed on capital account not provided for	54.20	193.20
24.	I) Contingent liabilities in respect of:		
	a) Bank Guarantees	1826.16	1915.95
	b) Bank Guarantees issued on pledged of shares by other companies	432.54	432.54
	c) Claims for Commercial Taxes and Income Tax not acknowledged as debt and under appeal	476.15	522.58
	d) Other claims not acknowledged as debt	373.45	396.21
	e) Bills drawn on customers and discounted with banks and advances against collection	665.65	502.98
	II) Arrears of Cumulative Preference Shares Dividend Rs.43.65 lacs (previous year Rs.82.63 lacs) including Dividend Distribution Tax Rs. 6.34 lacs (previous year Rs. 11.53 lacs).		
25.	The Company has issued 2204786 nos of Equity Shares of face value of Rs. 5/- each at a price of Rs. 20.50 (including premium of Rs. 15.50) per share and 2683045 nos of convertible share warrants at a price of Rs. 20.50 (including premium of Rs. 15.50) per warrant, 25% paid up during the year with the right to convert each warrants into one fully paid up Equity share of face value of Rs. 5/- not before 31.03.2013 and not later than 18 months from the date of allotment of convertible warrants i.e. within 25.03.2014. These shares and warrants were allotted to promoter group companies on preferential basis issued under SEBI (ICDR) Regulation 2009, with a lock in period of 3 years.		
26.	Sale of Jute / Jute diversified Products & Services Rs.32,117.64 lacs (2011-12 - Rs.34,907.20 lacs), Sale of Flax Products Rs.1,590.85 lacs (2011-12 - Rs.1,576.93 lacs), Sale of Raw Jute Rs.1,131.32 lacs (2011-12 -Rs.1,146.06 lacs), Sale of Flax Fibre Rs. 30.57 lacs (2011-12 - Rs. 36.15 lacs) and Sales Related Income Rs.550.07 lacs (2011-12- Rs.1641.50 lacs).		
27.	Jute Carpets / Jute diversified Products & Services have been treated as belonging to the same class as Jute / Jute Diversified Products & Services.		
28.	Stock of Finished goods and in trade of Jute / jute diversified Products & Services (Packed/ unpacked) Opening Stock Rs. 7,634.45 lacs (2011-12 - Rs.7,763.78 lacs) Closing Stock Rs. 8,493.79 lacs (2011-12 - Rs. 7,634.45 lacs).		
	Stock of Finished goods and in trade of Flax Products (Packed/ unpacked) Opening Stock Rs. 1,016.80 lacs (2011-12 - Rs. 1,244.49 lacs) Closing Stock Rs.769.73 lacs (2011-12 -, Rs.1,016.80 lacs). Shortage of 45 MT, Rs.128.13 lacs of Flax Yarn was found upon physical verification of stock as on 31.03.2013 and the matter is under investigation and such shortage has been adjusted.		

		<u>Rs. in lacs</u>			
		Jute/ Jute diversified Products & Services		Flax Products	
		Year ended	Year ended	Year ended	Year ended
		<u>31.03.13</u>	<u>31.03.12</u>	<u>31.03.13</u>	<u>31.03.12</u>
29.	C.I.F. Value of imports during the year				
	a) Raw Material	3826.49	2580.57	1076.48	1045.85
	b) Component of Stores & Spares parts	13.38	20.40	16.46	23.52
	c) Capital Goods	32.94	-	-	-

	<u>Rs. in lacs</u>	
	Year ended <u>31.03.13</u>	Year ended <u>31.03.12</u>
30. Expenditure in Foreign Currency - other matter	23.23	636.69
31. Earnings in Foreign Exchange (Export on FOB basis)		

	<u>Rs. in lacs</u>	
	Year ended <u>31.03.13</u>	Year ended <u>31.03.12</u>
a) Jute/Jute diversified Products & Services	6,265.00	21,037.74
b) Flax Products	89.33	75.37
	<u>6,354.33</u>	<u>21,113.11</u>

32. Value of Raw materials (Jute/Jute yarn) and Stores & Spares consumed:

	<u>2012-13</u>		<u>2011-12</u>	
	% to total <u>consumption</u>	<u>Rs.in lacs</u>	% to total <u>consumption</u>	<u>Rs.in lacs</u>
Imported	19.16	3034.46	21.57	3159.59
Indigenous	80.84	12801.52	78.43	11486.03
	<u>100</u>	<u>15835.98</u>	<u>100</u>	<u>14645.62</u>

Value of Raw materials (Flax Fibre) and Stores & Spares consumed:

	<u>2012-13</u>		<u>2011-12</u>	
	% to total <u>consumption</u>	<u>Rs.in lacs</u>	% to total <u>consumption</u>	<u>Rs.in lacs</u>
Imported	94.03	1001.56	89.77	793.64
Indigenous	5.97	63.56	10.23	90.48
	<u>100</u>	<u>1065.12</u>	<u>100</u>	<u>884.12</u>

33. Raw material consumed - i) Jute/Jute yarn Rs.14509.07 lacs (2011-12 - Rs.13,309.07 lacs)

ii) Flax fibre Rs. 1003.57 lacs (2011-12 - Rs. 793.64 lacs).

34. Cost of materials consumed includes purchase of (i) Jute goods Rs. 2523.56 lacs (2011-12 - Rs.8475.10 lacs) and (ii) Raw materials for Trading Rs,1171.42 lacs (2011-12 - Rs. 1145.59 lacs).

35. Segment Information:

The Company has considered two Business Segments viz; Jute/jute diversified Products & Services and Flax Products.

**A. Primary Segment Disclosure**

Rs. in lacs

Particulars	Jute/Jute diversified products & Services		Flax Products		Total	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
<b>Revenue</b>						
External Turnover	33503.88	37409.49	1662.73	1658.57	35166.61	39068.06
Other Income	224.27	349.02	0.05	-	224.32	349.02
<b>Result</b>	967.97	721.26	14.92	117.81	982.89	839.07
Unallocated					2.28	22.59
Operating Profit					985.17	861.66
Finance Cost					905.50	801.48
Interest Income					0.04	0.95
Income Taxes					36.59	(6.70)
Net Profit					43.12	67.83
<b>Other Information</b>						
Segment Assets	24204.62	24485.99	3428.06	3528.85	27632.68	28014.84
Unallocated					890.99	894.59
Total Assets					28523.67	28909.43
Segment Liabilities	17076.56	16877.45	618.64	885.44	17695.20	17762.89
Unallocated					234.84	227.05
Total Liabilities					17930.04	17989.94
Capital Expenditure	796.11	459.78	54.23	124.43	850.34	584.21
Depreciation	605.24	578.91	106.18	135.68	711.42	714.59
Amortization	5.00	5.00	12.25	12.25	17.25	17.25

**B. Information about Secondary Segments**

a) Revenue & Sundry Debtors as per Geographical Markets Rs. in lacs

<u>Particulars</u>	<u>Revenue</u>		<u>Sundry Debtors</u>	
	31.03.13	31.03.12	31.03.13	31.03.12
India	28801.34	17519.16	2545.67	2265.16
Outside India	6591.91	21921.46	120.91	473.34
Total	<u>35393.25</u>	<u>39440.62</u>	<u>2666.58</u>	<u>2738.50</u>

b) The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence separate figures for fixed assets / additions to fixed assets cannot be segregated.

		<u>Rs. in lacs</u>	
		<u>Year ended</u>	<u>Year ended</u>
		<u>31.03.13</u>	<u>31.03.12</u>
36.	Deferred Tax:		
	i) Liability at the beginning of the year	165.54	192.57
	ii) Difference between book & tax depreciation	(25.41)	(27.03)
	iii) Deferred tax liability at the end of the year	140.13	165.54

37. Related Party Disclosures:

A) List of Related Parties and Relationships:

<u>Party</u>	<u>Relationship</u>
a) Landale & Clark Ltd.	Subsidiary-100%
b) Champdany Constructions Limited	Subsidiary 100%
c) AIC Properties Ltd	Subsidiary 100%
d) Mr. Nirmal Pujara	Key Management Personnel

B) Transactions during the year with related parties

<u>Transactions</u>	<u>Subsidiary</u>	<u>Key Management Personnel</u>	<u>Total</u>
i) Landale & Clark Ltd			
Rent Paid	3.15		3.15
	(3.15)		(3.15)
Reimbursement of Expenses	1.25		1.25
	(0.75)		(0.75)
Interest paid	-		-
	(0.74)		(0.74)
Credit Balance Outstanding as at 31 March 2013	2.24		2.24
	(0.10)		(0.10)
ii) Champdany Constructions Ltd.			
Advance paid	3.35		3.35
	(73.33)		(73.33)
Advance refund	3.35		3.35
	(117.11)		(117.11)

<u>Transactions</u>	<u>Subsidiary</u>	<u>Key Management Personnel</u>	<u>Total</u>
Dividend received	-		-
	(20.25)		(20.25)
Balance amount as at 31 March 2013	-		-
	(-)		(-)
iii) AIC Properties Ltd			
Interest paid	0.20		0.20
	(0.20)		(0.20)
Credit Balance Outstanding as at 31 March 2013	2.20		2.20
	(2.18)		(2.18)
iv) Mr. Nirmal Pujara			
Remuneration paid (whole time Director)		28.21*	28.21
		(20.32)	(20.32)

\* Includes Rs.6.65 lacs for arrear leave encashment.

Note: Figures in bracket represent previous year's amounts.

	<u>Rs. in lacs</u>	
	<u>Year ended 31.03.13</u>	<u>Year ended 31.03.12</u>
38. Auditors' Remuneration		
As Audit Fees	1.50	1.50
Tax audit	0.35	0.35
Corporate Governance	0.12	0.12
Consolidated Financial Statement	0.13	0.13
Limited Review	0.90	0.90
Service Tax	0.37	0.31
	<u>3.37</u>	<u>3.31</u>
	<u>Year ended 31.03.13</u>	<u>Year ended 31.03.12</u>
39. Earning Per Share (EPS) has been computed as under:		
a) Profit after Tax (Rs. in lacs)	43.12	67.83
b) No. of Equity shares		
Basic	24,737,786	22,533,000
Weighted	27,420,831	22,533,000
c) Earning per share (Face Value of Rs.5 each)		
Basic (Re)	0.17	0.30
Diluted (Re)	0.16	0.30

40. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8 February 2011 and 21 February 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act 1956 subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to subsidiary has been included in the consolidated financial statement.

41. Narayanpur and Shalimar Units have been closed with due process of law. Working at Yarn Unit and Libra Carpet Unit at Choudwar have been suspended from 28 December 2005 and 1 May 2006 respectively. Flax Unit at Jagatdal was under suspension of work from 2 January 2012 to 16 August 2012. Management is of the view that the sale proceeds of the Fixed Assets relating to the Narayanpur, Choudwar and Shalimar Units would not be lower than the amount at they are carried in the books. The carrying values of assets of the cash generating units at Balance Sheet date are reviewed for impairment and management is of the view that there is no impairment exists. This has been relied upon by the Auditors'.
42. The Company's application to the Competent Authority for exemption from the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 is pending for approval.

		<u>Rs. in lacs</u>	
		<u>2012-13</u>	<u>2011-12</u>
43.	Exceptional Item represents:		
	Exchange difference on repayment/conversion of Packing Credit	-	361.37
	Total Debit	<u>-</u>	<u>361.37</u>

44. As approved by the shareholders at the Annual General Meeting of the company held on 29 July 2008, the face value has been subdivided from one Equity Share of Rs.10/- each into two Equity shares of Rs.5/- each with effect from 19 September 2008.
45. Commodity Hedging Transactions:  
In accordance with the policy consistently followed by the company, the outstanding commodity hedging contracts are accounted on the date of their settlement and realised gain / loss in respect of settled contracts are recognised in the Statement of Profit and Loss , along with the underlying transactions.
46. In respect of the fire occurred on 22 April 2006 and 21 January 2011 at Wellington Jute Mill, Rishra, the final assessment to the damage caused to Assets is yet to be completed by the insurance authorities. Pending such assessments, no adjustment has been made to the accounts to the extent of estimated loss of goods – 1059 MT - Rs. 770.70 lacs (2011-12 - 1059 MT - Rs. 770.70 lacs).  
The company has filed necessary claims with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claims.
47. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. Accordingly, gratuity are accounted for in the books of accounts on accrual basis based on actuarial valuation except for gratuity for one unit of the company from 1997-98 to 2006-07 treated on cash basis and liability for the said period is not ascertained, but from financial year 2007-08 provided on accrual basis.
48. a) The company has received the eligibility certificate from Sales Tax Authorities for the net value of fixed capital assets amounting to Rs.773 lacs and on gross addition to fixed assets amounting to Rs.616 lacs for the period from 1995-1996 to 1999-2000 and pending disposal of company's appeal for additional eligibility on the basis of gross value of fixed capital assets, an amount of Rs.1,119.57 lacs has been availed by the company on this account upto April, 2000. Adjustment, if any, on this account being currently not ascertainable, shall be considered as and when it arises.  
b) Other loans and advances - considered good includes Rs.26.93 lacs where although recoveries are not forthcoming but no provision has been made in the Accounts as the management considers these amounts are recoverable.
49. By an Order passed by the Hon'ble Division Bench of the High Court at Calcutta, six winding-up matters were relegated to Civil Suits for a claim of Rs.319 lacs of the erstwhile promoters of Anglo-India Jute Mills Co Ltd (now AI Champdany Industries Ltd), being the unsecured loan disputed by the Company. As per direction of the High Court, Calcutta, the Company has provided required securities to the satisfaction of the Registrar, Original Side, Calcutta High Court till the disposal of the suits.

Six suits were filed by the erstwhile promoters by their six respective companies. In the said suits a composite decree to the tune of Rs.2.77 crores is passed. Challenging the said decree six appeals are preferred by AI Champdany Industries Limited which are allowed and the cross appeal filed by respondents are dismissed, and the entire claim of the six unsecured creditors have been placed for trial. Written statements in six suits have been filed by the company as per order of the Hon'ble Division Bench of Calcutta High Court. Special Leave Petition (SLP) filed before the Hon'ble Supreme Court by six companies of erstwhile promoters of AIJM against the order passed by the Division Bench of the Hon'ble High Court at Calcutta. Hon'ble Supreme Court dismissed the SLP filed by six companies of erstwhile promoters of AIJM. The suits (six in nos) pending before the Hon'ble High Court at Calcutta for deciding the claim.

50. The Company has obtained possession of its flat at Woodland Syndicate as per the Order of the Court. The Company has filed an Application for final decree for mesne profits for wrongful occupation of the flat, before the Learned Civil Judge, Senior Division, 1<sup>st</sup> Court at Alipore, 24 Parganas (South), which is pending.
51. During the year 2012-13 Fixed Assets of Rs. 13.86 lacs has been transferred to stock-in-trade in respect of 4.44 acres of land and structure thereon at Beldanga and a flat at Woodland Syndicate.
52. The Company has maintained separate books of account for each of its 100% Export Oriented Weaving Unit at Rishra (de-bonded w e f 25 May 2012), Narayanpur (de-bonded w e f 7 December 2011) and for the Wellington Jute Mills and Yarn Unit at Rishra, Middle Mill, Fine Yarn and Flax Unit at Jagatdal and for the other units at, Konnagar (Weaving), Beldanga, Shalimar, Kankinara at West Bengal and Libra Carpet unit and Yarn unit at Choudwar, Orissa.
53. Previous year's figures have been rearranged / reclassified / regrouped wherever necessary and to make it in conformatory with the amended Schedule VI to the Companies Act, 1956.

For and on behalf of  
D.P SEN & CO.  
Chartered Accountants  
FRN 301054 E  
S K Nayak  
Partner  
Membership No.58711  
Date : 30 May 2013

Surajit Sen  
Company Secretary &  
Controller (Finance & Accounts)

On behalf of the Board  
B Wadhwa }  
N Pujara } Directors

---

## Auditor's Report on Consolidated Accounts

To  
The Board of Directors  
AI Champdany Industries Limited  
25,Princep Street  
Kolkata – 700 072

Dear Sir,

Report on the Consolidated Financial Statement of AI Champdany Industries Limited  
for the year ended 31 March 2013

- A. We have audited the attached Consolidated Balance Sheet of AI Champdany Industries Limited, and its subsidiary, ("the group") as at 31 March 2013, the Statement of Consolidated Profit and Loss of the group for the year then ended on that date and the Consolidated Cash Flow Statement of the group for the year then ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- B. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis,



evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- C. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (net) of Rs.888.85 lacs as at 31 March 2013 and total income (net) of Rs.4.46 lacs for the year then ended. These financial statements have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
- D. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company, its subsidiary included in the consolidated financial statements.
- E. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of separate audit reports on individual audited financial statements of AI Champdany Industries Limited and its subsidiary, the aforesaid consolidated financial statements together with the notes thereon and attached thereto and the statement on Significant Accounting Policies, *subject to the notes to the Accounts regarding the matters set out in para F below*, give a true and fair view in conformity with accounting principles generally accepted in India.
- a) In the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of the group as at 31 March 2013.
- b) In the case of the Statement of Consolidated Profit and Loss of the Consolidated Results of operation of the group for the year then ended and
- c) In case of the Consolidated Cash Flow Statement of the consolidated cash flow of the group for the year then ended.
- F. i) *Non ascertainment of profit / loss on outstanding commodity hedging materials as at the end of the year, as referred to in note 36 to the Consolidated Accounts;*
- ii) *Pending assessment of losses in respect of stocks of finished goods damaged by fire, no adjustment has been made to the accounts as referred to in notes 37 to the Consolidated Accounts;*
- iii) *Non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1 April 1997 to 31 March 2007 in respect of one unit of the company, as referred to in Note 38 to the Consolidated Accounts; \**
- iv) *Recognition of remission of taxes by Sales Tax Authority in the accounts, as referred to in note 39 (a) to the Consolidated Accounts; \**
- v) *Non ascertainment/ provision of possible loss which may arise for non recovery of interest free loans and advances in the nature of loans as referred to in note 39(b) to the Consolidated Accounts.\**  
*\*relates to erstwhile Anglo India Jute Mills Company Ltd*
- vi) *Non-provision of possible losses arising from diminution in the year end carrying cost of investments, deposits with companies and Trade Receivables as referred to in notes 39 (d) & 39 (e) to the Consolidated Accounts\*\*.*
- vii) *Assets & Liabilities in Bangladesh as at 31 March 2013 could not be verified, as referred to in note 39(f) to the Consolidated Accounts.\*\**  
*\*\* relates to the subsidiary of erstwhile Anglo-India Jute Mills Company Limited.*

For D.P.Sen & Co.  
Chartered Accountants  
FRN 301054 E  
S. K.Nayak  
Partner  
Membership No. 58711

Place: Kolkata  
Date: 30 May 2013

**AI CHAMPDANY INDUSTRIES LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2013**

Rs. in lacs

	Notes	As at 31 st March	
		2013	2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	2	<b>1,857.61</b>	1,967.37
Reserves and Surplus	3	<b>8,653.31</b>	9,000.16
Money received against Share Warrants		<b>137.51</b>	-
<b>Non - Current Liabilities</b>			
Long Term Borrowings	4	-	351.99
Deferred Tax Liabilities (Net)		<b>140.13</b>	165.54
Other Long Term Liabilities	5	<b>2,013.01</b>	1,569.01
<b>Current Liabilities</b>			
Short Term Borrowings	6	<b>9,652.02</b>	9,664.33
Trade Payables	7	<b>4,299.47</b>	3,518.07
Other Current Liabilities	8	<b>2,004.23</b>	2,348.26
Short Term Provisions	9	<b>341.31</b>	537.06
Minority Interest		-	0.25
<b>TOTAL</b>		<b>29,098.60</b>	29,122.04
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Fixed Assets			
Tangible Assets	10(a)	<b>9,548.03</b>	10,059.10
Intangible Assets	10(b)	<b>33.96</b>	40.54
Assets in Bangladesh		<b>4.30</b>	4.30
Capital Work-in-Progress		<b>1,270.38</b>	1,296.38
Non Current Investments	11	<b>50.73</b>	49.83
<b>Current Assets</b>			
Inventories	12	<b>13,356.68</b>	13,041.63
Trade Recievables	13	<b>3,076.96</b>	2,766.18
Cash and Cash Equivalents	14	<b>162.43</b>	35.90
Short Term Loans and Advances	15	<b>1,595.13</b>	1,828.18
<b>TOTAL</b>		<b>29,098.60</b>	29,122.04
Significant Accounting Policies	1		

Accompanying notes form integral part of the Consolidated financial statements.

In terms of our report of even date attached.

For D.P. Sen & Co.

Chartered Accountants

FRN 301054E

S. K. Nayak

Partner

Membership No.58711

Kolkata, 30 May 2013

Surajit Sen

Company Secretary &

Controller (Finance & Accounts)

On behalf of the Board

B Wadhwa }  
N Pujara } Directors

**AI CHAMPDANY INDUSTRIES LIMITED**  
**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2013**

Rs. in lacs

	Notes	2012-13	2011-12
<b>INCOME</b>			
Revenue from Operations	16	<b>35,641.42</b>	39,090.43
Other Income	17	<b>254.38</b>	491.44
		<b>35,895.80</b>	39,581.87
<b>EXPENSES</b>			
Cost of Materials Consumed	18	<b>19,663.45</b>	23,742.84
Changes in Inventories of Finished Goods, Work-in Progress and Stock in Trade	19	<b>(434.41)</b>	651.63
Employee benefits Expenses	20	<b>8,538.89</b>	6,881.65
Finance Cost	21	<b>905.30</b>	800.54
Depreciation and Amortization Expenses	10	<b>794.44</b>	796.97
Less: Depreciation on Amount Added On Revaluation		<b>(77.48)</b>	(76.04)
Less: Recoupment from Capital Reserves		<b>(17.25)</b>	(17.25)
Other Expenses	22	<b>6,438.04</b>	6,294.23
		<b>35,810.98</b>	39,074.57
Profit Before Exceptional Items		<b>84.82</b>	507.30
Exceptional Items		-	(361.37)
<b>Profit Before Tax</b>		<b>84.82</b>	145.93
Tax Expenses			
Current Tax/MAT		<b>19.16</b>	46.13
Deferred Tax(Asset)		<b>(25.41)</b>	(27.03)
MAT Credit Available		<b>(0.71)</b>	-
<b>Profit After Tax</b>		<b>91.78</b>	126.83
Adjustment Relating to earlier years (Taxes)		<b>(44.21)</b>	(7.94)
Minority Interest		-	0.08
Profit after Adjustment Relating to earlier years		<b>47.57</b>	118.97
Earnings per share (face value of Rs 5 each)			
Basic (Re)		<b>0.19</b>	0.53
Diluted (Re)		<b>0.17</b>	0.53
Significant Accounting Policies	1		
<p>Accompanying notes form integral part of the Consolidated financial statements.  In terms of our report of even date attached.  For D.P. Sen &amp; Co.  Chartered Accountants  FRN 301054E  S. K. Nayak  Partner  Membership No.58711  Kolkata, 30 May 2013</p>			
		<p>On behalf of the Board  B Wadhwa }  N Pujara } Directors</p>	
		<p>Surajit Sen  Company Secretary &amp;  Controller (Finance &amp; Accounts)</p>	

**AI CHAMPDANY INDUSTRIES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013**

Rs. in lacs

	2012-13		2011-12
<b>A. Cash flow from Operating activities :</b>			
Profit before Taxation		<b>84.82</b>	145.93
Add:- Adjustments for :			
Depreciation and Amortisation	<b>699.71</b>		703.68
Dividend from Investments	<b>(2.28)</b>		(2.34)
Interest and Finance Charges	<b>905.30</b>		800.54
Interest Income	<b>(0.10)</b>		(0.95)
Surplus (Net) on disposal of Fixed Assets	<b>(0.44)</b>		(121.15)
		<b>1,602.19</b>	1,379.78
Operating Profit before Working Capital Changes		<b>1,687.01</b>	1,525.71
Add/(Less):- Adjustments for :			
(Increase)/Decrease in Inventories	<b>(315.04)</b>		1,081.23
(Increase)/Decrease in Trade and Other Receivables	<b>(74.68)</b>		(674.07)
(Decrease)/Increase in Trade Payables and other Liabilities	<b>815.59</b>		(62.87)
		<b>425.87</b>	344.29
Cash Generated from Operations :		<b>2,112.88</b>	1,870.00
Direct Taxes paid	<b>(73.86)</b>		(11.51)
Interest Paid	<b>(906.84)</b>		(801.73)
		<b>(980.70)</b>	(813.24)
Net Cash from / (used in) Operating Activities		<b>1,132.18</b>	1,056.76
<b>B. Cash flow from Investing Activities :</b>			
Purchase of Fixed Assets	<b>(851.40)</b>		(586.98)
Sale /Adjustment of Fixed Assets	<b>14.32</b>		(745.40)
Sale of Investment	<b>3.60</b>		814.75
Minority Interest	-		0.25
Interest Received	<b>0.10</b>		0.95
Dividend Received	<b>2.28</b>		2.34
Capital Subsidy Received	-		6.41
Net Cash from / (used in) Investing Activities		<b>(831.10)</b>	(507.68)
<b>C. Cash flow from Financing Activities :</b>			
Proceeds from Share Capital / Warrants	<b>589.49</b>		-
Proceeds from Loans	-		1,300.00
Repayments of Loans	<b>(468.68)</b>		(4,668.69)
Increase / (Decrease) in Bank & Other Borrowings	<b>(12.31)</b>		2,655.35
Dividend Paid	<b>(54.18)</b>		(0.60)
Tax on Dividend Paid	<b>(8.70)</b>		-
Repayment of Preference Shares	<b>(220.00)</b>		-
Net Cash from / (used in ) Financing Activities		<b>(174.38)</b>	(713.94)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)		<b>126.70</b>	(164.86)
Cash and Cash Equivalents as at 1 April 2012		<b>35.90</b>	200.32
Adjustment on Consolidation		<b>(0.17)</b>	0.44
Adjusted Cash and Cash Equivalents as at 1 April 2012		<b>35.73</b>	200.76
Cash and Cash Equivalents as at 31 March 2013		<b>162.43</b>	35.90
In terms of our report of even date attached			
For D.P. Sen & Co. Chartered Accountants FRN 301054E S. K. Nayak Partner Membership No.58711 Kolkata, 30 May 2013		On behalf of the Board  B Wadhwa } N Pujara } Directors	
		Surajit Sen Company Secretary & Controller (Finance & Accounts)	

# AI CHAMPDANY INDUSTRIES LIMITED

## NOTES ON CONSOLIDATED ACCOUNTS

### 1. Significant Accounting Policies:

The significant accounting policies followed by the company are summarized below: -

#### 1.1. Accounting Convention:

The Financial statements have been prepared in accordance with accrual method of accounting following the historical cost convention as modified by revaluation of certain Fixed Assets.

#### 1.2. Fixed Assets:

Fixed Assets are stated at cost of acquisition, which are, inclusive of subsequent improvements thereto except for certain Fixed Assets, which were revalued. For Assets acquired at a composite price at cost as allocated to each assets by independent Valuers. Assets retired from active use are stated at values estimated by independent valuers.

Cost includes incidental expenses of acquisition/installation and financial cost relating to borrowed funds attributable to construction/ acquisition of fixed assets for the period upto commencement of commercial production / installation.

In respect of revalued assets, the difference between the written down values of the assets as on the date of revaluation and the then replacement value is transferred to Revaluation Reserve.

#### 1.3. Depreciation:

A) Depreciation on Fixed Assets has been provided for both on Straight line and Reducing balance method as hereunder. Method and rates consistently used for the purpose of depreciation charged for the year as follows:

##### 1) Plant & Machinery and Electrical Installation

Unit at Jagatdal

##### a) Straight Line Method

##### i) Certain specified items (included in electrical installation)

- Additions for the period 1.1.71 to 31.3.87 \*5.25%

##### ii) Plant and Machinery and Electrical Installation

(other than (i) above)

- Additions for the period 1.1.77 to 31.12.82 (on single shift basis) \* 3.39%

- Additions for the period 1.1.83 to 31.3.87 (on single shift basis) \* 5.28%

- Additions from the year 1987-88 At rates prescribed in Schedule XIV of the Companies Act, 1956.

\* Rates applied in prior years following the company Law Board Circular No. 1/86 dated 21 May 1986.

##### b) Reducing Balance Method

Certain portion of Electrical Installation At rates prescribed in Schedule XIV of the Companies Act, 1956.  
and Plant & Machinery (added upto 1976)

##### Other Units

##### i) Reducing Balance Method

On Plant & Machinery acquired prior to 1 April 1979 At rates prescribed in Schedule XIV of the Companies Act, 1956.

On assets acquired after 30 September 1986

At rates prescribed in Schedule XIV of the Companies Act, 1956.

2) Other assets on reducing balance Method

At rates prescribed in Schedule XIV of the Companies Act, 1956.

B) Premium paid for leasehold land is amortised over the period of the lease.

C) Freehold land and assets retired from active use are not depreciated.

1.4. Investments:

Long-term investments are stated at cost less provision for permanent diminution if any, in the value of such investment. Dividend Income is accounted for on receipt.

1.5. Inventories:

Inventories are valued on the following basis : (i) Raw Material at lower of cost and net realizable value, (ii) Finished Goods at lower of cost and contract value and net realizable value, (iii) Stores & Spares and work-in-process at cost or under.

In the case of Raw Materials and Stores & Spares, cost is generally ascertained on weighted average basis. Work-in-process and Finished Goods are valued on full cost absorption basis. Necessary provision is made for obsolete, slow-moving, non-moving and defective items of inventories.

1.6. Capital Subsidy:

Subsidies relating to Fixed Assets are initially credited to Capital Reserve and the amount is adjusted against the depreciation charged over the useful life of the asset.

1.7. Miscellaneous expenses:

Share issue expenses are amortized over a period of ten years.

1.8. Foreign Currency transactions:

i) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are translated at closing spot rates on the last day of the year.

ii) The difference in translation in monetary assets and liabilities and realised gains and losses in foreign exchange transactions other than those relating to fixed assets are recognised in the Statement of Consolidated Profit and Loss.

iii) Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets.

1.9. Sales:

Sales comprise sale of goods and services and include freight and other charges recovered from customers.

1.10. Related Income:

Export incentives / Related Income are accounted to the extent considered certain of realisation by the Management.

1.11. Retiral benefits:

Contributions to the Provident and Superannuation Funds, which are in accordance with the respective schemes, are charged to revenue on accrual basis. Retirement benefits including gratuity are provided for in the Books of Accounts on the basis of actuarial valuation except one unit of the company, which is treated on cash basis with effect from 1997-98 to 2006-07. Such liability has been provided on the basis of valuation made by the Actuary in line with the parameters & requirement of AS 15 (Revised 2005) issued by the Institute of Chartered Accountants of India.

1.12. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.13. Revenue expenditure on Research and Development is recognised in the Statement of Consolidated Profit and Loss of the year in which it is incurred.

1.14. Capital expenditure on Research and Development is shown as addition to Fixed Assets.

1.15. Insurance claims are recognised on receipt/assessment of related claim from Insurance Authorities.

1.16. Intangible Assets:

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Computer Software is amortised over a period of 5 years on Straight Line basis.

## 2. SHARE CAPITAL

		Rs. in lacs		
		Par Value	31.03.2013	31.03.2012
2.1	Authorised	Rs		
	4000000 Equity Shares	5	2,000.00	2,000.00
	3000000 Preference Shares	10	300.00	300.00
	24000000 Preference Shares	5	1,200.00	1,200.00
			<u>3,500.00</u>	<u>3,500.00</u>
Issued, Subscribed and fully paid				
	24,737,786 (31.03.2012-22,533,000) Equity Shares	5	1,236.89	1,126.65
	Nil (31.03.2012-2,200.000) 7% Preference Shares	10	-	220.00
	12,414,353 (31.03.2012-12,414,353) 2% Preference Shares	5	620.72	620.72
			<u>1,857.61</u>	<u>1,967.37</u>

2.2 2,204,786 equity shares has been allotted on 25.09.2012 to promoter group companies on preferential basis under SEBI (ICDR ) Regulation 2009 with a locking period of 3 years. Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up. The Company has allotted 2,200,000 7% Cumulative Preference Shares of Rs 10 each on 25.09.04. which are redeemable at par on or before the expiry of 20 years from the date of allotment, has been redeemed during the current year. The company has allotted 12,414,353 non-convertible 2% Cumulative Preference Shares of Rs 5 each on 30.03.2010 which are redeemable at par on or before fifteen years from the date of allotment with a locking period of 3 years. Preference shareholders are entitled to get fixed rate of dividend in preference to the equity share but are not entitled to vote at General Meeting of the Company unless dividend has been in arrears for the prescribed minimum period.

### 2.3. Reconciliation of number of shares

	Equity shares of Rs. 5 each	Rs. in lacs	7% Cumulative Preference shares of Rs. 10 each	Rs. in lacs	2% Cumulative Preference shares of Rs. 5 each	Rs. in lacs
Outstanding as at April1,2011	22,533,000	1,126.65	2,200,000	220.00	12,414,353	620.72
Issued and Alloted during the Previous Year	-	-	-	-	-	-
Outstanding as at March31/April1,2012	22,533,000	1,126.65	2,200,000	220.00	12,414,353	620.72
Issued and Alloted/( redeemed) during the Year	2,204,786	110.24	(2,200,000)	(220.00)	-	-
Outstanding as at March 31,2013	24,737,786	1,236.89	-	-	12,414,353	620.72

2.4. Share holders holding more than 5% shares in the Company

	31.03.2013		31.03.2012	
	No of Shares	% Holding	No of Shares	% Holding
I Equity Shares of ₹ 5 each				
Aldgate International S A	4,266,666	17.25	4,266,666	18.94
Blancatex A G	4,266,666	17.25	4,266,666	18.94
Damodardas Jerambhai Wadhwa	2,645,642	10.69	2,645,642	11.73
Canara Bank	1,949,332	7.88	1,949,332	8.65
Rishra Investments Ltd	2,734,876	11.06	1,828,426	8.11
Shibir India Ltd	2,103,269	8.50	1,406,159	6.24
Amar Investments Ltd	1,813,976	7.33	1,212,750	5.38
Gordhandas Jerambhai Wadhwa	1,189,300	4.81	1,189,300	5.28
II 7% Cumulative Preference Shares of ₹ 10 each				
Damodardas Jerambhai Wadhwa	-	-	595,000	27.05
Shibir India Ltd	-	-	500,000	22.73
Gunny Dealers Ltd	-	-	500,000	22.73
Rishra Investments Ltd	-	-	500,000	22.73
III 2% Cumulative Preference Shares of ₹ 5 each				
G Jerambhai Exports Ltd	4,927,605	39.69	4,927,605	39.69
Damodardas Jerambhai Wadhwa	2,645,642	21.31	2,645,642	21.31
Canara Bank	1,949,332	15.70	1,949,332	15.70
Gordhandas Jerambhai Wadhwa	1,189,300	9.58	1,189,300	9.58

3. Reserves and Surplus	Rs. in lacs							
	01.04.2011	Add/(Less) during the year	31.03.2012	Adjustment on Consolidation	Dividend & Tax	Addition during the year	Adjustment during the year	31.03.2013
Security Premium Reserve	2,464.00	-	2,464.00	-	-	341.74	-	2,805.74
Capital Reserve	75.07	(10.84)	64.23	-	-	-	(17.25)	46.98
Capital Redemption Reserve	80.00	-	80.00	-	-	60.00	-	140.00
Revaluation Reserve	3,456.63	(76.04)	3,380.59	-	-	-	(658.86)	2,721.73
General Reserve	2,887.66	-	2,887.66	-	-	-	-	2,887.66
Deferred Tax Reserve	8.53	-	8.53	-	-	-	-	8.53
Surplus	(3.82)	118.97	115.15	2.31	(62.36)	47.57	(60.00)	42.67
	8,968.07	32.09	9,000.16	2.31	(62.36)	449.31	(736.11)	8,653.31

4. Long Term Borrowings	Rs. in lacs	
	31.03.2013	31.03.2012
Secured		
Term Loans		
Financial Institution	-	351.99

Loans from Export Import Bank of India (Exim Bank) is secured by first charge on the entire fixed assets of the company, present and future and also pledge of 100% shareholding of Champdany Constructions Ltd, a wholly owned subsidiary of the company and second pari-passu charge on the entire current assets of the company, present and future.

Project loan of Rs. Nil (Previous year Rs. 116.69 lacs) is repayable in 13 half yearly instalments from the date of loan, by September, 2013

Long Term working capital loan of Rs. Nil (Previous year Rs. 235.30 lacs) is repayable in 17 quarterly instalments from the date of loan, by January, 2014



		<u>Rs. in lacs</u>
5.	Other Long Term Liabilities	<u>31.03.2013</u> <u>31.03.2012</u>
	Unsecured Loans	
	From Bodies Corporate	290.00      290.00
	Interest accrued and due	<u>29.01</u> <u>29.01</u>
		319.01      319.01
	Other Payable	<u>1,694.00</u> <u>1,250.00</u>
		<u>2,013.01</u> <u>1,569.01</u>
6.	Short Term Borrowings	<u>Rs. in lacs</u>
	From Banks-Secured Loan repayable on demand	<u>31.03.2013</u> <u>31.03.2012</u>
	-Cash Credit/PackingCredit Accounts *	6,878.40      7,512.54
	-Working Capital Demand Loan*	600.00      1,300.00
	-Others*	2,172.77      851.79
	From Company (unsecured)	<u>0.85</u> <u>-</u>
		<u>9,652.02</u> <u>9,664.33</u>
	* Secured by hypothecation on stocks of raw material, stock -in-process, stores, manufactured goods, book debts, bill, moveable plant and machinery and other current assets and also mortgage on second charge basis by deposit of title deeds by constructive delivery with Exim Bank, Exim Bank acting as agent of the consortium of banks, all documents of title evidences, deeds and writings in order to create a security on the Company's immovable properties together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth, and also by way of second charge on 100% shareholding of Champdany Constructions Ltd, a wholly owned subsidiary of the Company.	
7.	Trade Payables	<u>Rs. in lacs</u>
		<u>31.03.2013</u> <u>31.03.2012</u>
	Acceptances	937.91      1,132.80
	Others	3,361.56      2,385.27
		<u>4,299.47</u> <u>3,518.07</u>
	There are no dues to Micro and Small Enterprises, determined to the extent such parties have been identified on the basis of information available with the Company, as at March requires disclosures under the Micro, Small and Medium Enterprises Development Act,2006.	
8.	Other Current Liabilities	<u>Rs. in lacs</u>
		<u>31.03.2013</u> <u>31.03.2012</u>
	Current maturities of long term loan	351.99      468.68
	Interest accrued but not due on borrowings	1.24      2.78
	Advance from Customers	206.41      151.71
	Employee benefits liabilities	632.93      521.36
	Unpaid Dividend	5.37      5.89
	Fractional Share amount	0.12      0.12
	Redemption of Preference Shares	0.81      0.81
	Deposits	55.03      91.20
	Others	750.33      1,105.71
		<u>2,004.23</u> <u>2,348.26</u>
9.	Short Term Provisions	<u>Rs. in lacs</u>
		<u>31.03.2013</u> <u>31.03.2012</u>
	Short term employee benefits	260.82      445.37
	Provision for taxation (net)	80.49      91.69
		<u>341.31</u> <u>537.06</u>

Rs. in lacs

10. FIXED ASSETS		GROSS BLOCK AT COST / VALUATION					DEPRECIATION / AMORTISATION					NET BLOCK	
		As at 1 April 2012	Increase in value on revaluation	Additions during the year	Sales / Adjustments during the year	As at 31 March 2013	As at 1 April 2012	For the year	On assets sold/adjusted during the year	As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
a) Tangible Assets													
	Freehold Land	3,705.07	-	-	532.80	3,172.27	-	-	-	-	-	3,172.27	3,705.07
	Leasehold Land	197.34	-	-	-	197.34	31.97	2.24	-	34.21	-	163.13	165.37
	Buildings	5,223.69	-	99.17	77.50	5,245.36	3,504.50	127.21	15.06	3,616.65	1,628.71	1,719.19	
	Plant and Equipment	21,996.34	-	776.68	-	22,773.02	17,573.01	652.68	-	18,225.69	4,547.33	4,423.33	
	Vehicles	78.74	-	0.24	2.53	76.45	64.70	3.81	2.51	66.00	10.45	14.04	
	Furniture and Fixtures	90.28	-	-	0.61	89.67	78.86	2.07	0.60	80.33	9.34	11.42	
	Office Equipments	196.75	-	1.31	-	198.06	176.07	5.19	-	181.26	16.80	20.68	
	Total	31,488.21	-	877.40	613.44	31,752.17	21,429.11	793.20	18.17	22,204.14	9,548.03	10,059.10	
	As at 31 March 2012	31,122.08	-	423.79	57.66	31,488.21	20,690.67	794.96	56.52	21,429.11	10,059.10		
b) Intangible Assets													
	Goodwill	26.41	-	-	-	26.41	-	-	-	-	-	26.41	26.41
	Project Report Expenses Preliminary Expenses	6.18	-	-	6.18	-	1.85	-	1.85	-	-	-	4.33
		13.83	-	-	1.44	12.39	4.03	1.24	0.43	4.84	7.55	9.80	
		46.42	-	-	7.62	38.80	5.88	1.24	2.28	4.84	33.96	40.54	
	As at 31 March 2012	46.42	-	-	-	46.42	3.87	2.01	-	5.88	40.54		

a) Lease hold land relets to 12.27 acres and 21.60 acres of land at Beldanga and Choudwar taken on lease for a period of 99 years and 59 years in the year of 1993 and 2004 respectively

b) Value of free hold land and building of Beldanga unit have been increased by Rs.521.57 lacs and Rs.65.13. lacs respectively on account of revaluation during last five years.

	Rs. in lacs	
	31.03.2013	31.02.2012
11. Non Current Investment(held at cost unless stated otherwise)		
Trade Investment		
Investment in Equity Instruments - Fully paid		
Woolcombers of India Limited (in liquidation) (held other than cost)	-	-
1,63,592 Shares of Rs 10 each in, Re.1 (31.03.12 Re.1)		
Other Investment		
Investment in Equity Instruments-Fully paid		
Quoted		
Tata Global Beverages Limited, 4650 Shares of Re.1 each	0.02	0.02
UCO Bank, 15000 Shares of Rs. 10 each	4.49	4.49
Oil Country Tubular Limited, 40000 Shares of Rs. 10 each	8.78	8.78
Rama Newsprint and Paper Limited, 10000 shares of Rs. 10 each	5.88	5.88
Fresenius Kabi Oncology Limited, 12500 Shares of Re.1 each	6.25	6.25
Aptech Limited., 10300 shares of Rs 10 each	3.67	3.67
Oriental Carbon & Chemicals Limited, 15 Shares of Rs. 10 each	0.01	0.01
RPG Cables Limited, 21 Shares of Rs. 10 each Rs. 300 (31.03.12 Rs. 300)	-	-
Basanti Cotton Mills Limited., 10 Shares of Rs. 10 each Rs. 73 (31.03.12 Rs. 73)	-	-
Unquoted		
West Bengal Multifiber Jute Park Limited,	0.90	-
9,000 (previous year 45000) Equity Shares of Rs.10 each		
National Electronics Private Limited,250 shares of Rs 100 each	0.25	0.25
Eastern Services Limited,2500 Shares of Rs 10 each	0.25	0.25
Circus Avenue Properties Private Limited,2500 Shares of Rs 10 each	0.25	0.25
Libra Transport Limited,200 Shares of Rs 100 each	0.20	0.20
Cooper Capital Markets Limited,1000 Shares of Rs 100 each	1.00	1.00
Volga Investments Limited., 58170 Shares of Rs.10 each	5.82	5.82
Preoption Investments Limited., 120670 Shares of Rs.10 each	12.06	12.06
Naffar Chandra Jute Mills Limited., 50000 Shares of Rs. 10 each	0.10	0.10
Woodlands Multispeciality Hospital Limited.		
4380 Shares of Rs 10 each (held other than cost)	0.36	0.36
Wellington Jute Mills Employees' Consumers Co-operative Stores Limited		
250 "B" class shares of Rs.10 each	0.03	0.03
Anglo India Employees Co-operative Stores Limited		
250 "B" class shares of Rs.10 each	0.03	0.03
Investment in Preference Shares fully paid		
Chitrakoot Investments Limited., 40, 11% Cumulative Redeemable	0.04	0.04
Shares of Rs 100 each		
Volga Investments Limited., 100, 11% Cumulative Redeemable Shares	0.10	0.10
of Rs 100 each		
Disciplined Investments Limited., 100, 11% Cumulative Redeemable	0.10	0.10
Shares of Rs 100 each		
Preoption Investments Limited., 100, 11% Cumulative Redeemable	0.10	0.10
Shares of Rs 100 each		
Investment in Government Securities		
National Savings Certificate (VIII) Issue	0.04	0.04
	<u>50.73</u>	<u>49.83</u>
1) Aggregate amount of quoted investment	29.10	29.10
2) Aggregate market value of quoted investment	50.01	63.85
3) Aggregate amount of unquoted investment	21.63	20.73

		<u>Rs. in lacs</u>	
		<u>31.03.2013</u>	<u>31.03.2012</u>
12.	Inventory (Please refer Note 1.5 for accounting policy for valuation)		
	Raw Materials	1,950.49	2,047.82
	Work-in-Process	1,330.88	1,508.74
	Finished Goods	9,263.52	8,624.29
	Stock- in-Trade	-	26.97
	Stores and Spares	779.89	801.91
	Others	31.90	31.90
		<u>13,356.68</u>	<u>13,041.63</u>
	1)Finished goods includes material in transit	283.01	78.28
	2)Stock in Trade includes material in transit	-	26.97
		<u>Rs. in lacs</u>	
		<u>31.03.2013</u>	<u>31.03.2012</u>
13.	Trade Receivables(Unsecured) Outstanding for a period of above 6 months		
	Considered good	137.30	112.07
	Doubtful	5.31	5.40
		<u>142.61</u>	<u>117.47</u>
	Less- Provision for doubtful debts	-	0.09
		<u>142.61</u>	<u>117.38</u>
	Others	2,934.35	2,648.80
		<u>3,076.96</u>	<u>2,766.18</u>
		<u>Rs. in lacs</u>	
		<u>31.03.2013</u>	<u>31.03.2012</u>
14.	Cash and Cash Equivalents		
	Balance with banks	149.10	28.47
	Cheques in hand	-	1.08
	Cash in hand	13.33	6.35
		<u>162.43</u>	<u>35.90</u>
	Balance with bank includes		
	-in unpaid dividend account	5.38	5.52
	-in redemption cum unpaid dividend account	0.81	1.30
	-in fractional share account	0.12	0.12
	-in Escrow account	-	0.05
		<u>Rs. in lacs</u>	
		<u>31.03.2013</u>	<u>31.03.2012</u>
15.	Short Term Loans and Advances (Unsecured, considered good)		
	Security Deposit	61.80	76.71
	Deposits with companies	47.40	47.40
	Claim receivables	1,246.32	1,400.94
	Prepaid expenses	22.34	24.00
	Loan to employees	7.66	9.57
	Other Loans and Advances	209.61	269.56
		<u>1,595.13</u>	<u>1,828.18</u>
	Maximum outstanding balance of interest free loans to employees during the year Rs. 12.60 lacs(Previous year Rs. 13.74 lacs)		
		<u>Rs. in lacs</u>	
		<u>2012-13</u>	<u>2011-12</u>
16.	Revenue from operations		
	Sale of Products, Services and Related Income	35,895.26	39,330.21
	Less-Excise duty and Cess	253.84	239.78
		<u>35,641.42</u>	<u>39,090.43</u>

		Rs. in lacs	
		2012-13	2011-12
17.	Other Income		
	Interest Income	0.10	0.95
	Profit on sale of fixed assets	0.44	121.15
	Insurance Claims	4.98	-
	Dividend Income	2.28	2.34
	Rent Received	211.17	241.91
	Miscellaneous Income	28.55	125.09
	Liabilities no longer required written back	6.86	-
		254.38	491.44
		Rs. in lacs	
		2012-13	2011-12
18.	Cost of Material Consumed		
	Jute, Flax Fibres and Other Materials	19,663.45	23,742.84
		Rs. in lacs	
		2012-13	2011-12
19.	Changes in Inventories		
	Opening Stock		
	Finished Goods	8,624.29	8,557.68
	Work-in-Process	1,508.74	1,803.35
	Stock- in-Trade	26.97	450.60
	(A)	10,160.00	10,811.63
	Closing Stock		
	Finished Goods	9,263.53	8,624.29
	Work-in-Process	1,330.88	1,508.74
	Stock- in-Trade	-	26.97
	(B)	10,594.41	10,160.00
	(A-B)	(434.41)	651.63
		Rs. in lacs	
		2012-13	2011-12
20.	Employee Benefits Expenses		
	Salaries, Wages and Bonus	7,616.92	5,826.25
	Contribution to Provident and other Funds	849.85	989.10
	Employees welfare expenses	72.12	66.30
		8,538.89	6,881.65
		Rs. in lacs	
		2012-13	2011-12
21.	Finance Cost		
	Interest expenses		
	Fixed loans	122.69	220.86
	Others	782.61	579.68
		905.30	800.54

	<u>Rs. in lacs</u>	
	2012-13	2011-12
22. Other Expenses		
Stores and spares consumed	1,388.46	1,427.03
Other Consumption	13.86	-
Power and fuel	2,169.61	1,565.44
Processing expenses	387.47	301.04
Repairs to building	21.43	14.54
Repairs to machinery	12.22	8.55
Repairs (Others)	3.40	2.41
Insurance	104.38	116.14
Rates and Taxes	86.15	66.44
Export Freight	246.60	822.92
Transport and handling	1,358.27	845.19
Brokerage ,commission and export expenses	5.48	341.48
Bank charges	199.41	268.73
Discounting charges on export bills	45.41	121.37
Rent	20.33	25.81
Auditors Remuneration	3.56	3.49
Directors Fees	3.87	3.49
Miscellaneous expenses	368.13	360.16
	<u>6,438.04</u>	<u>6,294.23</u>

23. The consolidated financial statements have been prepared in accordance with Accounting Standard "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

24. The Consolidated Financial Statements have been prepared on the following basis:

- i) The financial statements of AI Champdany Industries Limited ("the Company") and its subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealized profit or losses.
- ii) The difference between the costs of investment in the subsidiary over the equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- iii) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Statement of Consolidated Profit and Loss as the profit or loss on disposal of investment in subsidiary.
- iv) The financial statement of the subsidiaries viz; Landale & Clark Ltd, AIC Properties Ltd and Champdany Constructions Ltd used in the consolidation are drawn upto the same reporting date as that of parent company i.e.31 March 2013. West Bengal Multifiber Jute Park Ltd has been ceased to be a Subsidiary during the year ended 31 March 2013.

	<u>Rs. in lacs</u>	
	<u>Year ended 31.03.13</u>	<u>Year ended 31.03.12</u>
25. Estimated amount of contract remaining to be executed on capital account not provided for	54.20	193.20

		<u>Rs. in lacs</u>	
		<u>Year ended</u> <u>31.03.13</u>	<u>Year ended</u> <u>31.03.12</u>
26. I)	Contingent liabilities in respect of:		
	a) Bank Guarantees	1826.16	1915.95
	b) Bank Guarantees issued on pledged of shares by other companies	432.54	432.54
	c) Claims for Commercial Taxes and Income Tax not acknowledged as debt and under appeal	476.15	522.58
	d) Other claims not acknowledged as debt	373.45	396.21
	e) Bills drawn on customers and discounted with banks and advances against collection	665.65	502.98
	II) Arrears of Cumulative Preference Shares Dividend Rs.43.65 lacs (previous year Rs.82.63 lacs) including Dividend Distribution Tax Rs. 6.34 lacs (previous year Rs. 11.53 lacs).		
27.	Jute Carpets / Jute diversified Products & Services have been treated as belonging to the same class as Jute / Jute Diversified Products & Services.		
28.	Segment Information:		
	The Company has considered two Business Segments viz; Jute/Jute diversified products & Services and Flax Products.		

**A. Primary Segment Disclosure**

Particulars	<u>Rs. in lacs</u>					
	Jute/Jute diversified products & Services		Flax Products		Total	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
<b>Revenue</b>						
External Turnover	33978.69	37431.86	1662.73	1658.57	35641.42	39090.43
Other Income	251.95	488.15	0.05	-	252.00	488.15
<b>Result</b>	972.82	825.45	14.92	117.81	987.74	943.26
Unallocated					2.28	2.34
Operating Profit					990.02	945.60
Finance Cost					905.30	800.54
Interest Income					0.10	0.95
Income Taxes					37.25	27.04
Net Profit					47.57	118.97
<b>Other Information</b>						
Segment Assets	25619.81	25543.36	3428.06	3528.85	29047.87	29072.21
Unallocated					50.73	49.83
Total Assets					29098.60	29122.04
Segment Liabilities	17610.91	17011.84	618.64	885.44	18229.55	17897.28
Unallocated					220.62	257.23
Total Liabilities					18450.17	18154.51
Capital Expenditure	797.17	462.55	54.23	124.43	851.40	586.98
Depreciation	610.78	585.25	106.18	135.68	716.96	720.93
Amortization	5.00	5.00	12.25	12.25	17.25	17.25

**B. Information about Secondary Segments**

a) Revenue & Sundry Debtors as per Geographical Markets

Particulars	<u>Rs. in lacs</u>			
	<u>Revenue</u>		<u>Sundry Debtors</u>	
	<u>31.03.13</u>	<u>31.03.12</u>	<u>31.03.13</u>	<u>31.03.12</u>
India	29303.89	17660.41	2956.05	2292.84
Outside India	6591.91	21921.46	120.91	473.34
Total	<u>35895.80</u>	<u>39581.87</u>	<u>3076.96</u>	<u>2766.18</u>

b) The Company has common fixed assets for producing goods for Domestic Market and Overseas Market. Hence separate figures for fixed assets / additions to fixed assets cannot be segregated.

29. Deferred Tax:

	<u>Rs. in lacs</u>	
	Year ended <u>31.03.13</u>	Year ended <u>31.03.12</u>
i) Liability at the beginning of the year	165.54	192.57
ii) Difference between book & tax depreciation	(25.41)	(27.03)
iii) Deferred tax liability at the end of the year	140.13	165.54

30. Related Party Disclosures:

A) List of Related Parties and Relationships:

<u>Party</u>	<u>Relationship</u>
Mr. Nirmal Pujara	Key Management Personnel

B) Transactions during the year with related parties

	<u>Rs. in lacs</u>	
	Year ended <u>31.03.13</u>	Year ended <u>31.03.12</u>
Remuneration paid (whole time Director)	28.21*	20.32

\* Includes arrear leave encashment of Rs.6.65 lacs.

31. Auditors' Remuneration

	<u>Rs. in lacs</u>	
	Year ended <u>31.03.13</u>	Year ended <u>31.03.12</u>
As Audit Fees	1.68	1.68
Tax audit	0.35	0.35
Corporate Governance	0.12	0.12
Consolidated Financial Statement	0.13	0.13
Limited Review	0.90	0.90
Service Tax	0.38	0.31
	<u>3.56</u>	<u>3.49</u>

32. During the year 2012-13 Fixed Assets of Rs. 13.86 lacs has been transferred to stock-in-trade in respect of 4.44 acres of land and structure thereon at Beldanga and a flat at Woodland Syndicate.

33. Narayanpur and Shalimar Units have been closed with due process of law. Working at Yarn Unit and Libra Carpet Unit at Choudwar have been suspended from 28 December 2005 and 1 May 2006 respectively. Flax Unit at Jagatdal was under suspension of work from 2 January 2012 to 16 August 2012. Management is of the view that the sale proceeds of the Fixed Assets relating to the Narayanpur, Choudwar, and Shalimar Units would not be lower than the amount at they are carried in the books. The carrying values of assets of the cash generating units at Balance Sheet date are reviewed for impairment and management is of the view that there is no impairment exists. This has been relied upon by the Auditors'.

34. The Company's application to the Competent Authority for exemption from the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 is pending for approval.

35. Exceptional Item represents:

	<u>Rs. in lacs</u>	
	<u>2012-13</u>	<u>2011-12</u>
Exchange difference on repayment/conversion of Packing Credit	-	<u>361.37</u>
Total Debit	<u>-</u>	<u>361.37</u>



36. Commodity Hedging Transactions:

In accordance with the policy consistently followed by the company, the outstanding commodity hedging contracts are accounted on the date of their settlement and realised gain / loss in respect of settled contracts are recognised in the Statement of Consolidated Profit and Loss along with the underlying transactions.

37. In respect of the fire occurred on 22 April 2006 and 21 January 2011 at Wellington Jute Mill, Rishra the final assessment to the damage caused to Assets is yet to be completed by the insurance authorities. Pending such assessments, no adjustment has been made to the accounts to the extent of estimated loss of goods - 1059 MT - Rs. 770.70 lacs (2011-12 – 1059 MT- Rs. 770.70 lacs).

The company has filed necessary claims with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claims.

38. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. Accordingly, gratuity are accounted for in the books of accounts on accrual basis based on actuarial valuation except for gratuity for one unit of the company from 1997-98 to 2006-07 treated on cash basis and liability for the said period is not ascertained, but from financial year 2007-08 provided on accrual basis.

39. a) The company has received the eligibility certificate from Sales Tax Authorities for the net value of fixed capital assets amounting to Rs.773 lacs and on gross addition to fixed assets amounting to Rs.616 lacs for the period from 1995-1996 to 1999-2000 and pending disposal of company's appeal for additional eligibility on the basis of gross value of fixed capital assets, an amount of Rs.1,119.57 lacs has been availed by the company on this account upto April, 2000. Adjustment, if any, on this account being currently not ascertainable, shall be considered as and when it arises.
- b) Other loans and advances - considered good includes Rs.26.93 lacs where although recoveries are not forthcoming but no provision has been made in the Accounts as the management considers these amounts are recoverable.
- c) Trade payables include Rs.75.71 lacs disputed by the management
- d) Trade receivables and Deposits with Companies include Rs. 5.31 lacs and Rs. 2.50 lacs respectively considered as doubtful and no provision in this respect has been made in accounts as in the opinion of the management these amount are expected to be recoverable.
- e) Going by the financials, provision that may be required to be made against possible loss, if any, in respect of Company's investments in Chitrakoot Investments Limited, Disciplined Investments Limited, Volga Investments Limited and Preoption Investments Ltd. to the extent of Rs. 0.04 lacs, Rs. 0.10 lacs, Rs. 5.92 lacs and Rs. 12.16 lacs respectively and also in respect of deposits with Chitrakoot Investments Ltd. and Volga Investments Limited to the extent of Rs. 37.50 lacs and Rs. 7.40 lacs respectively is not ascertainable at this stage.
- f) Details of assets and liabilities in Bangladesh incorporated in this accounts and shown separately could not be made available to the Auditors for their verification.

40. By an Order passed by the Hon'ble Division Bench of the High Court at Calcutta, six winding-up matters were relegated to Civil Suits for a claim of Rs.319 lacs of the erstwhile promoters of Anglo-India Jute Mills Co Ltd (now AI Champdany Industries Ltd), being the unsecured loan disputed by the Company. As per direction of the High Court, Calcutta, the Company has provided required securities to the satisfaction of the Registrar, Original Side, Calcutta High Court till the disposal of the suits.

Six suits were filed by the erstwhile promoters by their six respective companies. In the said suits a composite decree to the tune of Rs.2.77 crores is passed. Challenging the said decree six appeals are preferred by AI Champdany Industries Limited which are allowed and the cross appeal filed by respondents are dismissed, and the entire claim of the six unsecured creditors have been placed for trial. Written statements in six suits have been filed by the company as per order of the Hon'ble Division Bench of Calcutta High Court. Special Leave Petition (SLP) filed before the Hon'ble Supreme Court by six companies of erstwhile promoters of AIJM against the order passed by the Division Bench of the Hon'ble High Court at Calcutta. Hon'ble Supreme Court dismissed the SLP filed by six companies of erstwhile promoters of AIJM. The suits (six in nos) pending before the Hon'ble High Court at Calcutta for deciding the claim.

41. The Company has obtained possession of its flat at Woodland Syndicate as per the Order of the Court. The Company has filed an Application for final decree for mesne profits for wrongful occupation of the flat, before the Learned Civil Judge, Senior Division, 1<sup>st</sup> Court at Alipore, 24 Parganas (South), which is pending.

42. The Company has maintained separate books of account for each of its 100% Export Oriented Weaving Unit at Rishra (de-bonded w e f 25 May 2012), Narayanpur (de-bonded w e f 7 December 2011) and for the Wellington Jute Mills and Yarn Unit at Rishra, Middle Mill, Fine Yarn and Flax Unit at Jagatdal and for the other units at, Konnagar (Weaving), Beldanga, Shalimar, Kankinara at West Bengal and Libra Carpet unit and Yarn unit at Choudwar, Orissa.

43. The Company has issued 2204786 nos of Equity Shares of face value of Rs. 5/- each at a price of Rs. 20.50 (including premium of Rs. 15.50) per share and 2683045 nos of convertible share warrants at a price of Rs. 20.50 (including premium of Rs. 15.50) per warrant, 25% paid up during the year with the right to convert each warrants into one fully paid up Equity share of face value of Rs. 5/- not before 31.03.2013 and not later than 18 months from the date of allotment of convertible warrants i.e. within 25.03.2014. These shares and warrants were allotted to promoter group companies on preferential basis issued under SEBI (ICDR) Regulation 2009, with a lock in period of 3 years.

44. Previous year's figures have been rearranged / reclassified / regrouped wherever necessary and to make it in conformatory with the amended Schedule VI to the Companies Act, 1956.

For and on behalf of  
D.P SEN & CO.  
Chartered Accountants  
FRN 301054 E  
S K Nayak  
Partner  
Membership No.58711  
Date : 30 May 2013

Surajit Sen  
Company Secretary &  
Controller (Finance & Accounts)

On behalf of the Board  
B Wadhwa }  
N Pujara } Directors



IS / ISO 9001 : 2000

# AI CHAMPDANY INDUSTRIES LIMITED

(A TRADING HOUSE recognised by Govt. of India) (Established in 1873)  
Pioneer Weaves & Spinners of Natural & Synthetic blended Fabrics & Yarns

**25, PRINCEP STREET, KOLKATA - 700 072, INDIA**

☎ : 2237-7880 to 85 / 2225-1050 / 7924 / 8150 FAX : (91) (33) 22250221/22363754

G.P.O. BOX NO. 543, KOLKATA - 700 001

**E-mail : cil@ho.champdany.co.in Web : www.jute-world.com**



MGMT. SYS  
RvA C 105

Raad Voor  
Accrediatie

Bombay Stock Exchange Ltd.  
P J Towers  
Dalal Street  
Mumbai - 400001

23 May 2014

## FORM B

1.	Name of the Company	<b>AI Champdany Industries Ltd.</b>
2.	Annual Financial Statement for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Repetitive for the last seven years
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report.	<p>i) Non ascertainment of profit/loss on outstanding commodity hedging materials as at the end of the year,</p> <p>ii) Pending assessment of losses in respect of stock of finished goods damaged by fire, no adjustments has been made to the accounts,</p> <p>iii) Non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1.4.1997 to 31.03.2007 in respect of one unit of the company ,</p> <p>iv) Recognition of remission of taxes by Sales Tax Authority in the accounts,</p> <p>v) Non-ascertainment/provision of possible loss which may arise for non-recovery of interest free loans and advances in the nature of loans, (please refer to our Annual Report page no. 17)</p> <p>Observations of the Auditors in their report vide para A, I have been adequately dealt with in the Report of Board of Directors vide page no. 3 , which are explained hereunder seriatim.</p> <p>(i)The Commodity hedging contracts are accounted for on the date of their settlement and realized gain/loss in respect of</p>

### WORKS :

Wellington Jute Mill  
P.O. Rishra  
Dist. Hooghly, W. Bengal  
☎ : 2672-3395

100% Export Unit  
Choudwar  
Dist. Cuttack, Orissa  
☎ : 2690671 / 2304

100% Export Unit  
P.O. Rishra  
Dist. Hooghly, W.B.  
☎ : 2672-1789

Jagatdal, 24 Pgs (N)  
West Bengal,  
Pin – 743125  
☎ : 2581-1320/4214/3735



IS / ISO 9001 : 2000

# AI CHAMPDANY INDUSTRIES LIMITED

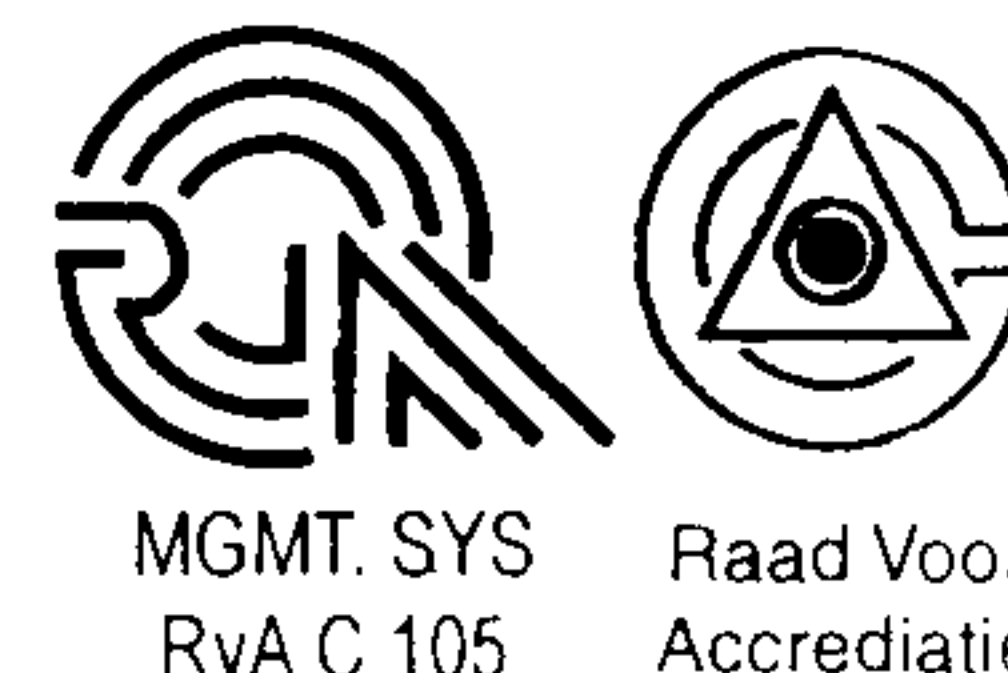
(A TRADING HOUSE recognised by Govt. of India) (Established in 1873)  
Pioneer Weaves & Spinners of Natural & Synthetic blended Fabrics & Yarns

**25, PRINCEP STREET, KOLKATA - 700 072, INDIA**

☎ : 2237-7880 to 85 / 2225-1050 / 7924 / 8150 FAX : (91) (33) 22250221/22363754

G.P.O. BOX NO. 543, KOLKATA - 700 001

**E-mail : cil@ho.champdany.co.in Web : www.jute-world.com**



		<p>only settled contracts are recognized in the Profit and Loss Account, alongwith underlying transactions. This is in accordance with the principles of prudence.</p> <p>(ii)In respect of Loss on Account of Fire at the Company's Wellington Jute Mill on 22 April 2006 and 21 January 2011, the Company has not made any adjustment in the books as the claim is pending settlement with the Arbitrator and Insurance Company respectively. The Company re-cognises insurance claims on receipt/assessment basis of related claim from the insurance authorities.</p> <p>(iii)The Company is providing Gratuity Liability on accrual basis for all its units and only in respect of one unit i.e. Jagatdal, it was accounted for on cash basis for the intervening period of 1996-97 to 2006-07.</p> <p>(iv)Remission of Taxes by the Sales Tax authorities: The matter is pending for settlement with the authorities and will be adjusted on reaching finality.</p> <p>(v)There is a long-standing advance of Rs.26.93 lacs which is pending since takeover of erstwhile Anglo-India Jute Mills Co. Ltd from BIFR and recoverable from the erstwhile promoter.</p>
6.	Additional comments from the board/audit committee chair:	<p>Commodity Hedging Transactions connecting in the notes to the accounts in the seriatim refer to page no 3 :</p> <p>In accordance with the policy consistently followed by the company, the outstanding commodity hedging contracts are accounted on the date of their settlement and realised gain / loss in respect of settled contracts are recognised in the Profit and Loss Account, along with the underlying transactions.</p> <p>In respect of the fire occurred on 22 April 2006 and 21 January 2011 at Wellington Jute Mill, Rishra, the final assessment to the damage caused to Assets is yet to be completed by the insurance authorities. Pending such assessments, no adjustment has been made to the accounts to the extent of estimated loss of goods – 1059 MT - Rs. 770.70 lacs (2011-12 -1059 MT- Rs.770.70 lacs).</p> <p>The company has filed necessary claims with the insurance authorities and adjustments to the accounts would be effected</p>

## WORKS :

Wellington Jute Mill  
P.O. Rishra  
Dist. Hooghly, W. Bengal  
☎ : 2672-3395

100% Export Unit  
Choudwar  
Dist. Cuttack, Orissa  
☎ : 2690671 / 2304

100% Export Unit  
P.O. Rishra  
Dist. Hooghly, W.B.  
☎ : 2672-1789

Jagatdal, 24 Pgs (N)  
West Bengal,  
Pin – 743125  
☎ : 2581-1320/4214/3735



IS / ISO 9001 : 2000

# AI CHAMPDANY INDUSTRIES LIMITED

(A TRADING HOUSE recognised by Govt. of India) (Established in 1873)  
Pioneer Weaves & Spinners of Natural & Synthetic blended Fabrics & Yarns

**25, PRINCEP STREET, KOLKATA - 700 072, INDIA**

☎ : 2237-7880 to 85 / 2225-1050 / 7924 / 8150 FAX : (91) (33) 22250221/22363754

G.P.O. BOX NO. 543, KOLKATA - 700 001

E-mail : cil@ho.champdany.co.in Web : www.jute-world.com



MGMT. SYS  
RvA C 105



Raad Voor  
Accreditatie

		<p>on completion of assessment and settlement of related claims.</p> <p>Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. Accordingly, gratuity are accounted for in the books of accounts on accrual basis based on actuarial valuation except for gratuity for one unit of the company from 1997-98 to 2006-07 treated on cash basis and liability for the said period is not ascertained, but from financial year 2007-08 provided on accrual basis.</p> <p>The company has received the eligibility certificate from Sales Tax Authorities for the net value of fixed capital assets amounting to Rs.773 lacs and on gross addition to fixed assets amounting to Rs.616 lacs for the period from 1995-1996 to 1999-2000 and pending disposal of company's appeal for additional eligibility on the basis of gross value of fixed capital assets, an amount of Rs.1,119.57 lacs has been availed by the company on this account upto April, 2000. Adjustment, if any, on this account being currently not ascertainable, shall be considered as and when it arises.</p> <p>Other loans and advances - considered good includes Rs.26.93 lacs where although recoveries are not forthcoming but no provision has been made in the Accounts as the management considers these amounts are recoverable.</p>
--	--	---

Assuring timely submission of Form B in future and please condone delay.

Thanking you,

Yours faithfully,  
For **AI Champdany Industries Ltd.**

Executive Director

## WORKS :

Wellington Jute Mill  
P.O. Rishra  
Dist. Hooghly, W. Bengal  
☎ : 2672-3395

100% Export Unit  
Choudwar  
Dist. Cuttack, Orissa  
☎ : 2690671 / 2304

100% Export Unit  
P.O. Rishra  
Dist. Hooghly, W.B.  
☎ : 2672-1789

Jagatdal, 24 Pgs (N)  
West Bengal,  
Pin - 743125  
☎ : 2581-1320/4214/3735