

ANNUAL REPORT 2009-2010

AI CHAMPDANY INDUSTRIES LIMITED

AI CHAMPDANY INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. G. J. Wadhwa, Chairman
 Mr. Harbhajan Singh
 Mr. S. M. Palia
 Mr. S. K. Mehera
 Mr. D. J. Wadhwa
 Dr. G. Goswami
 Mr. N. Das
 Mr. B. Wadhwa
 Mr. N Pujara (Executive Director-Mktg.)

Mr. B. K. Chowdhury
*Sr. General Manager (Accounts)
 & Company Secretary*

AUDITORS

D P Sen & Co.
Chartered Accountants

BANKERS

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

REGISTERED OFFICE

25, Princep Street
 Kolkata-700 072

SHARE DEPARTMENT

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

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WORKS							100% Export Oriented Units
Wellington Jute Mill	Anglo India Jute Mill	Fine Yarn Unit	Flax Unit	Kankinara Unit			Weaving Unit Rishra Dist : Hooghly West Bengal Pin : 712 248
Rishra, Hooghly	1, West Ghosh	1, West Ghosh	1.West Ghosh	Bhutnath Kolay Raod			
	Para Road Jagatdal	Para Road. Jagatdal	Para Road Jagatdal	P.O. Kankinara			
	24,Parganas (N)	24,Parganas(N)	24,Parganas(N)	24 Parganas (N)			
West Bengal Pin :712 248	West Bengal Pin:743 125	West Bengal Pin : 743 125	West Bengal Pin : 743 125	West Bengal Pin:743 126			
Weaving Unit P.O. Konnagar	Beldanga Unit P.O.Beldanga	Libra Carpet Choudwar	Weaving Unit 39,Shalimar Road	Yarn Unit Rishra	Yarn Unit Choudwar	Weaving Unit Narayanpur	Yarn Unit Konnagar
Naity Road	Murshidabad	Dist : Cuttack	Howrah(South)	Dist Hooghly	Dist. Cuttack		Naity Road, Barabahera
Barabahera							
West Bengal Pin : 712 246	West Bengal Pin : 742 101	Orissa Pin : 754 025	West Bengal Pin:711 103	West Bengal Pin :712 248	Orrisa Pin : 754 025	Dist : 24 Pgs.(N) West Bengal Pin : 700 136	Dist : Hooghly West Bengal Pin : 712 246

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 31st March 2010.

	(Rs. in lacs)	
	Year ended 31st March, 2010	Year ended 31st March, 2009
Total Income	24613.75	30906.86
Profit before Interest, Depreciation, Exceptional items (net) and Tax	1601.45	1924.87
Less:		
Interest	676.21	728.61
Depreciation	769.01	845.84
Exceptional items (net)	83.36	165.40
Profit Before Tax	72.87	185.02
Provision for Tax:		
- Current Tax	14.84	22.35
- Deferred Tax Liability/ (Asset)	(23.96)	(165.15)
- Fringe Benefit Tax	-	10.44
Profit After Tax	81.99	317.38
Add: Profit brought forward from the Previous year	457.83	495.01
Adjustment relating to earlier years (taxes)	(524.60)	(36.55)
Amount available for appropriation	15.22	775.84
Dividend on Preference Shares	-	15.40
Tax on Dividend	-	2.61
Transfer to Capital Redemption Reserve	-	50.00
Transfer to General Reserve	-	250.00
Balance carried over to next year	15.22	457.83

DIVIDEND:

In view of inadequacy of profits, your Directors are constrained by not recommending any dividend on Preference as well as on Equity Shares.

ALTERATION & AMENDMENT OF AUTHORISED SHARE CAPITAL CLAUSE

In terms of the resolution passed by the shareholders by postal ballot on 15.01.2010 the authorised share capital clause 5 of the Memorandum of Association of the Company was altered and amended as follows.

The Authorised Share Capital of the Company is Rs. 35,00,00,000 (Rupees Thirty Five Crore) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 5 each, 30,00,000 (Thirty Lacs) 7% Cumulative Preference Shares of Rs. 10 each and such Preference Shares shall confer the right to a fixed cumulative preferential dividend at the rate of 7 percent per annum on the capital for the time being paid up thereon and 2,40,00,000 (Two Crores Forty Lacs) 2% Cumulative Preference Shares of Rs. 5 each and such Preference shares shall confer the right to a fixed cumulative preferential dividend at the rate of 2 percent per annum on the capital for the time being paid up thereon. Both Preference Shares shall rank as regards capital in priority to the Equity Shares but shall not confer the right to any further participation in profits or assets, and upon any increase of capital, the company is to be at liberty to issue any new shares with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto. The rights for the time being attached to the Preference Shares in the initial capital or to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with the provisions of the accompanying Articles of Association, but not otherwise.

RIGHT ISSUE OF NON-CONVERTIBLE 2% CUMULATIVE PREFERENCE SHARES OF RS.5/- EACH

In terms of the Memorandum of Information dated 15.02.2010 sent to all the Equity Shareholders 22533000 nos. of Non-convertible 2% Cumulative Preference Shares of face value Rs.5/- each were offered in right basis in the ratio of 1:1 to the equity shareholders of the company as on 12.02.2010, the record date fixed for the purpose. The issue was opened for subscription from 25.02.2010 to 24.03.2010. Against the above issue, the company received valid applications for 12414353 nos of shares and accordingly 12414353 nos of Non-convertible 2% Cumulative Preference Shares of Rs.5 each were allotted to the allottees on 30.03.2010. The shares requested for allotment in electronic

form were credited to the Depository Account of the shareholders on 13.04.2010 by CDSL and 14.04.2010 by NSDL and wherever the shares were requested in physical form necessary share certificates despatched to the respective shareholders by Registered Post on 14.04.2010. The proceeds of the right issue of Non-convertible 2% Cumulative Preference Shares have been utilized by the company as per the terms of the issue.

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 separate Section and forming 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:

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.

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 Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that 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.
- (iv) that the annual accounts have been prepared on a going concern basis.

LEGAL MATTER :

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 Company Law Board (CLB) primarily challenging the transfer of Rampur Texpro Unit to Champdany Constructions Ltd., Company's wholly owned subsidiary and proposed transfer of Shalimar Unit to AIC Properties Ltd. another wholly owned subsidiary of the Company. The CLB has passed an interim order dated 12.01.2010 against the Company restraining it from acting in furtherance to the resolution for transfer of Shalimar Unit during the pendency of the proceedings. The said order also restrains Champdany Constructions Ltd from transferring or creating any third party interest in the fixed assets of the Rampur Texpro Unit.

The Company is contending the petitions as without any merit as the transfer of the Rampur Texpro Unit and proposed transfer of Shalimar Unit have been approved by the majority Shareholders of the Company.

In the pending proceedings, the two Shareholders have sought disclosure of certain documents including board minutes and notes etc. the Company has strongly contested the said claim. CLB in its last order dated 17.05.2010 has partly allowed the said application and has directed the company to disclose board minutes relating to incorporation of Subsidiary Companies for diversifying into the construction and/or real estate business and expenditure and income that may be generated from Rampur Texpro Unit and Shalimar Unit. The Company is planning to file an appeal against the said order before the High Court of Calcutta.

In the pending proceeding before CLB, Champdany Constructions Ltd. had also filed an application for modification of the interim order, which has been rejected by the CLB vide its order dated 17.05.2010.

AUDITORS:

M/s. D. P. Sen & Co., auditors of the Company, hold office until conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

SUBSIDIARY:

As required under the provisions of Section 212 of the Companies Act, 1956, the audited accounts together with Directors' Report and Auditor's Report of the subsidiary Companies namely, Landale & Clark Limited, West Bengal Multifiber Jute Park Ltd, Champdany Constructions Limited and AIC Properties Ltd, are appended to and form part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENT:

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

AUDITOR'S REPORT:

Observations of the auditors in their report vide para D (I) (i) to D (I) (vi), have been adequately dealt with in the Notes 24 to 27 (c) in Schedule 17 of the accounts which are explained hereunder seriatim.

- (i) The commodity hedging contracts are accounted 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 transaction. This is in accordance with principles of prudence.
- (ii) In respect of Loss on Account of Fire at the company's Wellington Jute Mill on 22nd April, 2006, the company has not made any adjustment in the books as the claim is pending settlement with the Arbitrator. The company recognises Insurance claims on receipt/assessment basis of related claim from Insurance Authorities.
- (iii) The company is providing Gratuity liability on accrual basis for all of its units from financial year 2007-08 and only in respect of one unit i.e. Jagatdal, it was accounted on Cash Basis for the intervening period of 1996-97 to 2006-07 as explained in Note No. 26 in Schedule 17 to the Accounts.
- (iv) Remission of Taxes by Sales Tax : The matter is pending settlement with Authorities and will be adjusted on reaching finality. Meanwhile it has been adequately explained in the Note 27(a) of Schedule 17, which is an integral part of Annual Account.
- (v) There is a long standing advance of Rs. 26.93 lacs which is pending since takeover of the company from BIFR and recoverable against the demand of erstwhile promoter on finality of the court cases.
- (vi) Landale & Clark Ltd. was inherited as a part of acquisition of Anglo-India Jute Mills Co Ltd. through BIFR as Subsidiary Company. Major portions of Assets are in Bangladesh.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956:

The provision of Section 217(2A) of the Companies Act, 1956 read with rule there under was not applicable to the Company, since there was 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 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 Industry wide strike in West Bengal Jute Industry from December 14, 2009 to February 12, 2010 and 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, Company's Bankers, customers, employees, shareholders and other business associates.

Place : Kolkata
Date : 30 May, 2010

On behalf of the Board

B. Wadhwa
N. Pujara } Directors

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Development :

During the year, the Jute Industry witnessed an industry wide strike from 14th Dec 2009 to 12th Feb 2010 resulting in loss of production for 61 days thereby adversely affecting the entire jute Industry and the terms of settlement with Workers Unions has also resulted in a steep hike in wage cost of nearly 20% without any corresponding benefit in the productivity and such continuous steep increases in wage cost without any linkage with productivity is a cause of concern for everyone connected with the Industry.

The Demand for Jute goods was also affected because of partial dilution of the Jute Packaging Materials (Compulsory use of packaging Commodities) Act, 1987 (JPMA) by the Government of India due to disruption in supply of Jute Bags during the strike period. After end of strike, the Industry body is continuing its efforts with the Government of India for restoration of JPMA to the pre-strike level of 100% Packaging for Food grains & Sugar & it is hoped that as in the past the Government may favourably consider the same in the interest of farmers, workers, environment etc.

B. Opportunities/Threats, Risks & Concerns :

❖ *Opportunities*

Jute being natural & environmental friendly fibre, opportunities has to be created by the Industry through R&D and modernization of equipments so as to produce diversified & substitute products which are Cost Competitive compared to other similar products available in the market or have potential for newer applications. Your Company having created R&D facility & infrastructure over a long period of time for development of these products is focusing more on such products & endeavouring to create opportunities in this segment of the Industry wherever feasible.

❖ *Threats/Risks & Concerns*

- Continuous increase in Raw Jute Prices which has reached at an all time high level of Rs.3,500/- per quintal for Standard TD-4 variety.
- Frequent strikes in the Jute Industry causing erosion in regular demand of finished goods, which in the long term would have an adverse impact on the Industry.
- Steep increase in Wage Cost resulting from tripartite settlement in February 2010 without any linkage to productivity.
- Threat of dilution in the Jute Packaging Materials (Compulsory use for Packaging Commodities) Act, 1987.
- High Volatility in the foreign currencies & credit risk crisis in developed countries.

C. Outlook :

Raw Jute prices have reached to a record level of Rs.3,500/- per quintal for Standard Variety TD-4 and the increasing trend of rising raw Jute prices since last year seems to have encouraged farmers to go for an higher cultivation of Jute this year. Barring unforeseen circumstances it is therefore expected that there could be about 20% to 25% increase in Raw Jute production in the ensuing crop season compared to last season and that may have some softening effect on the Raw Jute prices which have been rising unabated. The Union Government has also announced about 15% increase in Minimum Support Price (MSP) for raw Jute for the ensuing season and this step is also expected to encourage farmers to step up investment in the Jute Cultivation although the current ruling market Price is much above the MSP.

On the domestic demand side of finished goods there is an expectation of good orders of B-Twill Bags for food packaging from the Government whereas on the export side of late there has been sign of revival in the demand particularly for jute yarn.

As in the earlier years your Company is continuously making efforts to plan its manufacturing capacity & product mix in such a way so that these could be structured as per market requirement from time to time in the shortest possible time frame. Simultaneously the Company is also making constant endeavours to restructure some of its closed units so as to not only save on their overhead Costs which is being continuously incurred but to also derive some return out of such Assets as may be feasible.

D. Internal Control System & Adequacy:

The Company has a proper internal control system in place of all across its operations. Internal audit work has been assigned to a professional firm of Chartered Accountants and they have expressed their 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 and sales/related income was 45586 MT and Rs. 24476 lacs respectively compared to 56678 MT and Rs. 30660 lacs respectively in the previous year. Export Sales (CIF) was Rs. 4688 lacs compared to Rs. 14509 lacs in previous year.

The performance was affected due to loss of production for 61 days because of industry wide strike in the Jute Industry from 14.12.2009 to 12.02.2010 and suspension of work at 100% EOU (Yarn) and (Weaving) Units located at Rishra from 30.08.2009 to 08.12.2009 and from 06.09.2009 to 11.12.2009 respectively.

On 17.12.2009 the company got its 100% EOU (yarn) located at Rishra debonded from EOU scheme and accordingly the said unit has become the Domestic Tariff Area (DTA) Unit.

As in the past your Company continued its focus on modernization, expansion and diversification hence during the year a sum of Rs. 699 lacs was added to the block.

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

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

Shalimar Unit at Howrah remained closed since 18.05.2005, has now been permanently closed with due process of law. Operations at Yarn Unit and Libra Carpet Unit located at Choudwar, District. Cuttack, Orissa and 100% EOU Yarn Unit at Konnagar, West Bengal also continued to be under suspension.

There was an Industry wide strike in West Bengal Jute Industry from December 14, 2009 to February 12, 2010.

G. Cautionary Statement:

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 as 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 31st March, 2010, 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.

For and on behalf of
D. P. Sen & Co.
Chartered Accountants

S. K. Nayak
Partner
Membership No: 58711

Kolkata
Dated: May 30, 2010

AI CHAMPDANY INDUSTRIES LIMITED

Corporate Governance Report for the year ended 31st March, 2010.

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) 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 31st March, 2010, five Board meetings were held on 29th May, 2009, 28th June, 2009, 31st July, 2009, 30th October, 2009 and 30th January, 2010. The maximum gap between any two meetings was less than 4 months.

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	4	No	3	Nil	Nil
Mr. S. M. Palia	Independent Non-executive	1	No	6	4	3
Mr. S K Mehera	Independent Non-executive	5	Yes	3	Nil	Nil
Mr. Harbhajan Singh	Independent Non-executive	4	Yes	6	Nil	Nil
Dr. G. Goswami	Independent Non-executive	5	Yes	7	4	Nil
Mr. D. J. Wadhwa	Promoter Non-Executive	4	No	1	Nil	Nil
Mr. N. Das	Independent Non-executive	5	Yes	4	2	2
Mr. N. Pujara	Executive Director (Mktg.)	4	Yes	14	Nil	3
Mr. B. Wadhwa	Promoter Non-Executive	5	Yes	11	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.

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:
 - Ø Any changes in accounting policies and practices.
 - Ø Major accounting entries based on exercise of judgment by management.
 - Ø Qualifications in draft audit report.
 - Ø Significant adjustments arising out of audit.
 - Ø The going concern assumption.
 - Ø Compliance with Accounting Standards.
 - Ø Compliance with stock exchange and legal requirements concerning financial statements.
 - Ø 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 consisted 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) | Dr. G. Goswami - | Member (non-executive independent Director) |
| iv) | 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.

During the financial year ended 31st March, 2010, five Audit Committee meetings were held on 29th May, 2009, 28th June, 2009, 31st July, 2009, 30th October, 2009 and 30th January, 2010. Mr. Harbhajan Singh attended four meetings, Mr. S. K. Mehera attended five meetings, Dr. G. Goswami attended five meetings, 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:

The Remuneration Committee of the Board comprises three Independent Directors, namely Mr. S. K. Mehera, Dr. G. Goswami and Mr. N. Das.

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

There was no meeting during the year.

No remuneration is paid to non-executive Directors except sitting fees for attending the meetings of the Board of Directors or Committees thereof. However, the remuneration of the Executive Director is decided by the Board of Directors subject to approval of the shareholders.

5. **Details of Remuneration and Sitting Fees:**

The details of sitting fees and remuneration paid to the Directors during the financial year 2009-10 are as under:
(Amount in Rs.)

Name of the Director	Meeting Fees			Remuneration	Total
	Audit Committee	Board	Other Committees*		
Mr. G. J. Wadhwa	-	30,000	-	—	30,000
Mr. S. M. Palia	-	7,500	-	—	7,500
Mr. S. K. Mehera	37,500	37,500	15,000	—	90,000
Mr. Harbhajan Singh	30,000	30,000	-	—	60,000
Dr. G. Goswami	37,500	37,500	15,000	—	90,000
Mr. D. J. Wadhwa	30,000	30,000	-	—	60,000
Mr. N. Das	-	37,500	-	—	37,500
Mr. N. Pujara	-	-	-	15,96,823	15,96,823
Mr. B. Wadhwa	-	37,500	7,500	-	45,000
Total	1,35,000	2,47,500	37,500	15,96,823**	20,16,823

* for attending Committee of Directors and Investors' Grievance Committee meetings.

** The remuneration consists of salary of Rs. 12,00,000/- contribution to Provident and Superannuation Fund Rs. 3,00,000/- and other benefits Rs. 96,823/-. Tenure of appointment: 5 years from 1st January, 2008. As per terms of appointment, the Company and Executive Director have the right to terminate the appointment by giving three months prior notice in writing to the other. There is no provision for payment of severance fee under the resolution governing the appointment of the Executive Director.

6. **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 31st March, 2010, one Investors' Grievances Committee meeting was held on 30th January, 2010.

The details of the position of the shareholders' complaints are as under:

- a) Number of complaints received from Stock Exchange/SEBI — 1
- b) Number of complaints non-resolved/non-action taken — 2
- c) Number of pending share transfer as on 31st March, 2010 — NIL

Investors' grievances are resolved expeditiously.

Mr. B.K. Chowdhury Company Secretary has been designated as Compliance Officer.

7. **General Body Meeting:**

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

Financial Year	Location of Meeting	Date	Time
2006-2007	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani, Kolkata-700 017	31 st August, 2007	11.00 A.M.
2007-2008	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani, Kolkata-700 017	29 th July, 2008	10.00 A.M.
2008-2009	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani, Kolkata-700 017	31 st July, 2009	2.00 P.M.

No Special Resolution was passed in the previous three Annual General Meeting.

8. Subsidiary:

The Company has non-listed Indian Subsidiary Companies i.e. Champdany Constructions Ltd., Landale & Clark Ltd., West Bengal Multifiber Jute Park Ltd and AIC Properties 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.

9. 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 interests of the Company at large.
None.
- 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. 16 in Schedule "17" 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.

10. Means of Communication:

The unaudited quarterly and audited annual financial results along with the notes are normally published in one National English Newspaper (Financial Express) and one Bengali Newspaper (Dainik Lipi) circulating in Kolkata, within 48 hours of approval by the Board and are faxed/intimated to Stock Exchanges.

11. General Shareholders' information:

a) AGM date, time and venue:

Annual General Meeting is to be held on September 29, 2010 at 10.30 A.M. at the Auditorium of Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata-700017

b) Financial Calendar:

Financial year: 1st April to 31st March.

Unaudited 1 st quarter results	: Middle of August
Unaudited 2 nd quarter results	: Middle of November
Unaudited 3 rd quarter results	: Middle of February
Audited Annual Results	: End May

c) Book Closure period: From September 16, 2010 to September 29, 2010, both days inclusive.

d) Dividend payment date : N.A.

e) 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 2010-2011.

f) Scrp Code

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

g) **Stock price data:**

	BSE		NSE	
Month	High	Low	High	Low
April, 2009	18.40	14.55	18.95	13.15
May, 2009	24.45	16.00	23.90	16.00
June, 2009	28.90	22.65	30.00	22.00
July, 2009	24.90	20.20	26.00	20.80
August, 2009	24.35	22.10	24.70	21.80
September, 2009	24.65	22.00	25.15	22.85
October, 2009	26.80	23.50	27.05	22.00
November, 2009	34.50	22.40	35.80	23.00
December, 2009	33.05	27.50	34.45	28.00
January, 2010	39.55	31.10	41.95	30.20
February, 2010	40.00	29.00	42.55	30.30
March, 2010	30.85	23.85	29.75	23.60

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

The Company has appointed MCS Limited having its office at 77/2A, Hazra Road, Ground Floor, Kolkata – 700 029 as Registrar for both demat and physical segment.

i) **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.

j) **Distribution of shareholding as on 31st March, 2010:**

Group of Shares	No. of Shareholders	% age	No. of Shares held	% age of Total Shares
1 to 500	2763	88.02	244848	1.09
501 to 1000	184	5.86	123645	0.55
1001 to 2000	85	2.71	122644	0.55
2001 to 3000	25	0.80	63361	0.28
3001 to 4000	17	0.54	58194	0.26
4001 to 5000	6	0.19	25546	0.11
5001 to 10000	13	0.41	90973	0.40
10001 to 50000	6	0.19	121282	0.54
50001 to 100000	9	0.29	656467	2.91
100001 and above	31	0.99	21026040	93.31
GRAND TOTAL	3139	100.00	22533000	100.00

K) Statement showing Shareholding Pattern as on March 31, 2010

Category Code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialised form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage (IX)=(VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)=(VIII)/(IV)*100
A	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals / Hindu Undivided Family	10	2456142	2454410	10.9002	10.9002	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	22	5936198	4415584	26.3445	26.3445	0	0
(d)	Financial Institutions / Banks	0	0	0	0	0	0	0
(e)	Any Other (specify)							
(e i)	Trust	5	1381016	1312484	6.1288	6.1288	0	0
	Sub-Total (A) (1)	37	9773356	8182478	43.3735	43.3735	0	0
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total(A)(2)	0	0	0	0.00	0.00	0	0
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	37	9773356	8182478	43.3735	43.3735	0	0
(B)	Public shareholding						N. A.	N. A.
(1)	Institutions						N. A.	N. A.
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00		
(b)	Financial Institutions / Banks	29	2751582	185812	12.2113	12.2113		
(c)	Central Government/ State Government(s)	2	704	0	0.0031	0.0031		
(d)	Venture Capital Funds	0	0	0	0	0		
(e)	Insurance Companies	2	19432	19144	0.0863	0.0863		
(f)	Foreign Institutional Investors	2	1332	0	0.0059	0.0059		
(g)	Foreign Venture Capital Investors	0	0	0	0	0		
(h)	Any Other (specify)	0	0	0	0	0		
	Sub-Total (B) (1)	35	2773050	204956	12.3066	12.3066		
(2)	Non-institutions						N. A.	N. A.
(a)	Bodies Corporate	179	781874	375804	3.4699	3.4699		
(b)	Individuals							
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	2847	618701	445565	2.7458	2.7458		
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1	48000	48000	0.2130	0.2130		
(c)	Any Other (specify)	0	0	0	0	0		
(c-i)	Foreign Nationals	4	688	0	0.0031	0.0031		
(c-ii)	NRIs	34	3999	1453	0.0177	0.0177		
(c-iii)	Foreign Corporate Bodies	2	853332	0	37.8704	37.8704		
	Sub-Total (B)(2)	3067	9986594	870822	44.3199	44.3199		
	Total Public Shareholding (B)=(B)(1)+(B)(2)	3102	12759644	1075778	56.6265	56.6265	N. A.	N. A.
(C)	TOTAL (A) + (B)	3139	22533000	9258256	100.00	100.00		
	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0.00	N. A.	N. A.
	GRAND TOTAL = (A) + (B) + (C)	3139	22533000	9258256	100.00	100.00		

- l) **Dematerialization of shares**
As on 31st March, 2010, 41.09% of total holding has been dematerialized. This represents 66.15% of Resident Indian holdings.
- m) **ISIN allotted by NSDL/CDSL: INE 768E01024**
- n) **Plant Location** : As appearing on the first page of Annual Report
- o) **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, Al 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.
- p) **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:

Financial Year ended	Date of payment of dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31 st March, 2003 *	24 th September, 2003	23 rd September, 2010	22 nd October, 2010
31 st March, 2004 *	31 st August, 2004	30 th August, 2011	29 th September, 2011
31 st March, 2005 & 31 st March, 2006	26 th September, 2006	25 th September, 2013	24 th October, 2013
31 st March, 2007	1 st September, 2007	31 st August, 2014	30 th September, 2014
31 st March, 2008	30 th July, 2008	29 th July, 2015	28 th August, 2015

* Dividend declared by erstwhile The Champdany Industries Ltd before merger in this Company.

It may please be noted that once the unpaid amounts of dividend are transferred to IEPF no claims shall lie 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 31st March, 2002 which remained unpaid/unclaimed for a period of 7 years from the date they became due.

- q) **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.
- r) **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 Director's Report.

12 (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 31st March, 2010.

(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. B. K. Chowdhury is the Compliance Officer for the purpose of these regulations.

13 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 May 30, 2010 and the same was approved.

For AI Champdany Industries Limited

Kolkata

Dated: May 30, 2010

B. Wadhwa }
N. Pujara } Directors

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 31st March, 2010.

A. CONSERVATION OF ENERGY

The Company in its constant endeavour to conserve energy has taken the following steps on ongoing basis:

- a) Replacing in a phased manner of Sodium Vapour Lamps by Metal Halide Lamps.
- b) Replacement of conventional chokes with electronic chokes on an ongoing basis.
- c) Modification of conventional spinning frames.
- d) Optimizing machine speed commensurate with productivity.
- e) Putting variable frequency with driving looms.
- f) Regular checking and maintenance of steam pipes, valves, steam traps to reduce losses and finally consumption of caddies in the boiler as fuel instead of coal/oil by utilizing improved updated technology.

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.

It is a continuous process to identify new technologies to improve the working of the Plants for reduction of consumption of Energy and finally reduction in cost of production.

“FORM A”

a) POWER AND FUEL CONSUMPTION	Current year	Previous year
i) ELECTRICITY		
a) Purchased Units (KWH)	2,46,05,245	2,97,68,556
Total Amount (Rs. in lacs)	1194.57	1299.18
Rate / Unit (Rs.)	4.85	4.36
b) Own Generation through Diesel Generator (Units)	818963	791399
Units per liter of Oil	3.08	2.78
Cost / Unit (Rs.)	10.80	13.14
ii) COAL		
(B grade used for generation of steam in boiler)		
Quantity (M. Ton.)	494	702
Total Cost (Rs. in lacs)	23.42	35.73
Average Rate (Rs.)	4737	5,088
b) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (KWH/M. Ton)		
Jute/ Jute diversified products	522	513
Flax Products	4433	3397
Coal per ton of production (M. Ton)		
Jute/ Jute diversified products	0.01	0.01
Flax Products	-	0.17

“FORM B”

B. TECHNOLOGY ABSORPTION

Research and Development (R & D) : R&D Projects are being pursued in house & in conjunction with IJIRA 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. These efforts have resulted in further development of new value added products, which have been widely accepted in the market.

Benefits derived as a results of the above R&D and future plan of action: Benefits have accrued/shall 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	: 3,203.25	2,422.05
Earned	: 4,688.16	14,509.45

On behalf of the Board

B. Wadhwa }
N. Pujara } Directors

Kolkata

Dated: May 30, 2010

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
Relating to Subsidiary Companies

1. Name of Subsidiary Company	Champdany Constructions Limited	Landale & Clark Limited	West Bengal Multifiber Jute Park Limited	AIC Properties Limited
2. The financial year / period ended on	31 March 2010	31 March 2010	31 March 2010	31 March 2010
3. Date from which it became subsidiary	10 October 2004	28 February 1947	31 March 2009	27 November 2009
4. Number of shares of the subsidiary Company held by the holding Company on 31 st March 2010	8101959 Equity Shares of Rs. 10 each	20000 Equity Shares of Rs. 100 each	45000 Equity Shares of Rs. 10 each	50000 Equity Shares of Rs. 10 each
5. Extent of shareholding: Equity Shares	100%	100%	90%	100%
6. Net aggregate of profit/(loss) of the subsidiary Company for the financial year so far as it concerns the member of the holding company				
a) Dealt with in the accounts of the holding company for the year ended 31 st March 2010	NIL	NIL	NIL	NIL
b) Not dealt in the accounts of the holding company for				
i) the current financial year Profit/(loss)	Rs. 2095862	Rs. 201679	Rs. (77594)	Rs. 1397
ii) the previous financial years Profit/(loss)	(Rs.197661)	(Rs.1616075)	(Rs.4635)	Not Applicable
7. Change of interest of holding Company in subsidiary between the end of the financial year of the subsidiary and that of holding Company	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Kolkata : Date : 30 May, 2010

B. K. Chowdhury
Sr General Manager (Accounts) &
Company Secretary

On behalf of the Board

B. Wadhwa }
N. Pujara } Directors

AUDITOR'S REPORT TO THE MEMBERS OF AI CHAMPDANY INDUSTRIES LIMITED

- A. We have audited the attached Balance Sheet of AI Champdany Industries Limited as at 31 March 2010, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order (to the extent applicable to the company).
- D. Further to our comments in the Annexure referred to above, 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 24 in Schedule-17.*
 - ii) *pending assessment of losses in respect of stocks of finished goods damaged by fire we are unable to form an opinion on the adjustments that would be required to be made to the accounts as referred to in note 25 of Schedule 17.*
 - 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 26 in Schedule-17;**
 - iv) *recognition of remission of taxes by Sales Tax Authority in the accounts as referred to in Note 27(a) in Schedule-17;**
 - 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 27(b) in Schedule 17*.*
 - vi) *non provision of possible losses arising from diminution in the year end carrying cost of investment with Landale & Clark Ltd as referred to in Note 27(c) in Schedule-17*;*
**Relate to erstwhile Anglo India Jute Mills Company Limited.*
 - II) subject to our observations set out in para D(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 ;
 - III) further subject to our observations set out in para D(1) 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 ;
 - IV) the Balance Sheet, Profit & Loss Account and Cash Flow dealt with by this report are in agreement with the books of account ;
 - V) on the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - VI) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except D(I)(i), D1(iii) and D(I)(vi) above ;
 - VII) 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 D(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, 2010 and
- (b) in the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

D. P. Sen & Co
Chartered Accountants
S. K. Nayak
Partner
Membership No. 58711

Kolkata,
Dated: May 30, 2010.

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 except land of Alipore 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. Discrepancies between the physical and book stocks, which were not significant, have been properly dealt with in the books of accounts.
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 Sec. 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 31st March, 2010 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:

Name of the statute	Nature of Dues	Amount (Rs Lacs)	Forum where the dispute is pending
Bhatpara Municipality	Municipal Taxes	82.80	REVIEW BOARD
	Land Revenue	82.46	
ESI Act	ESI dues	184.73	ESI COURT
Income Tax Act, 1961	Income Tax	10.92	CIT (A)
Central Sales Tax 1956 & West Bengal Sales Tax Act, 1994	Sales Tax	14.38	ACCT
		0.52	HIGH COURT
		4.68	DCCT
		568.60	WBCTA & RB
		290.19	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, the company has taken term loan during the financial year 2009-2010 and 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 not made any preferential allotment of shares 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 raised money by way of allotment of Preference Shares to the Equity Shareholders of the Company on right basis during the year and not raised any money by 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.

Kolkata,
Dated: May 30, 2010.

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

AI CHAMPDANY INDUSTRIES LIMITED

BALANCE SHEET AS AT 31 MARCH 2010

Rupees

	Schedule	As at 31 March			
		2010		2009	
SOURCES OF FUNDS					
Shareholders' Funds :					
Share Capital	1	196,736,765		134,665,000	
Reserves & Surplus	2	845,057,933	1,041,794,698	899,592,752	1,034,257,752
Loan Funds :					
Secured loans	3	1,035,351,017		1,086,775,202	
Unsecured Loans	4	31,901,242		31,901,242	
			1,067,252,259		1,118,676,444
			2,109,046,957		2,152,934,196
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block		2,932,500,097		2,826,263,083	
Less : Depreciation		2,009,292,720		1,922,836,605	
Net Block		923,207,377		903,426,478	
Capital Work In Progress		113,892,489		153,628,348	
	5		1,037,099,866		1,057,054,826
Investments	6		94,592,181		94,466,101
Current Assets, Loans And Advances :					
Inventories	7	1,276,888,795		1,067,703,955	
Sundry Debtors	8	80,399,985		223,442,890	
Cash and Bank balances	9	15,184,146		18,536,750	
Loans and Advances	10	260,782,010		329,818,331	
		1,633,254,936		1,639,501,926	
Less : Current Liabilities and Provisions :					
Current Liabilities	11	575,451,352		611,061,273	
Provisions	12	61,226,346		5,408,723	
		636,677,698		616,469,996	
Net Current Assets			996,577,238		1,023,031,930
Deferred Tax Liability			(19,222,328)		(21,618,661)
			2,109,046,957		2,152,934,196
Notes to Accounts	17				

In terms of our report of even date attached
D. P. Sen & Co.
Chartered Accountants
S. K. Nayak
Partner
Membership No. 58711
Kolkata, 30th May, 2010

B. K. Chowdhury
Senior General Manager (Accounts) &
Company Secretary

For and On behalf of the Board

B. Wadhwa }
N. Pujara } Directors

Kolkata, 30th May, 2010

AI CHAMPDANY INDUSTRIES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

Rupees

	Schedule	2009-10		2008-09	
INCOME					
Sales and Related Income	13		2,447,627,524		3,066,033,746
Income from other sources	14		13,747,740		16,145,377
			2,461,375,264		3,082,179,123
EXPENDITURE					
Operating Expenses	15		2,403,805,877		2,883,777,372
(Increase)/Decrease in stocks of finished goods and work-in-process			(102,576,162)		5,914,626
Depreciation	5	86,801,190		98,357,940	
Less : Depreciation on amount added on Revaluation		(9,557,499)		(13,431,169)	
Recoupment from Capital Reserves		(343,058)		(343,058)	
Interest	16		76,900,633		84,583,713
			67,621,053		72,861,377
			2,445,751,401		3,047,137,088
Profit before exceptional items			15,623,863		35,042,035
Exceptional items(Net)			(8,336,451)		(16,540,487)
Profit before taxation			7,287,412		18,501,548
Provision for taxation					
- Current Tax (Net of MAT Credit)		1,484,000		2,235,000	
- Fringe Benefit Tax		-		1,044,244	
- Deferred Tax (Assets)		(2,396,332)		(16,515,664)	
			(912,332)		(13,236,420)
Profit after taxation for the year			8,199,744		31,737,968
Balance brought forward from previous year			45,782,735		49,501,361
Adjustment relating to earlier years (Taxes)			(52,460,086)		(3,654,871)
Available for Appropriation			1,522,393		77,584,458
Appropriations					
Proposed Dividend on Preference Shares		-		1,540,000	
Tax on Dividend		-		261,723	
Transfer to Capital Redemption Reserve		-		5,000,000	
Transfer to General Reserve		-		25,000,000	
Balance carried to Balance Sheet			1,522,393		31,801,723
Earnings per share face value of Rs 5 each (Basic & diluted)			0.28		1.33
Notes to Accounts	17				

In terms of our report of even date attached
D. P. Sen & Co.
Chartered Accountants
S. K. Nayak
Partner
Membership No. 58711
Kolkata, 30th May, 2010

B. K. Chowdhury
Senior General Manager (Accounts) &
Company Secretary

For and On behalf of the Board

B. Wadhwa } Directors
N. Pujara }
Kolkata, 30th May, 2010

AI CHAMPDANY INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2010

Rupees

	2009-10	2008-09
A. Cash flow from Operating activities :		
Profit before Taxation		18,501,548
Add:- Adjustments for :		
Depreciation	76,900,633	84,583,713
Dividend from Investments	(133,887)	(132,775)
Interest	67,621,053	72,861,377
Surplus (Net) on disposal of Fixed Assets	(46,944,924)	(13,229,452)
Loss on sale of Investment	-	192,800
Assets Written Off	-	20,996
	97,442,875	144,296,659
Operating Profit before Working Capital Changes		162,798,207
Add/(Less):- Adjustments for :		
(Increase)/Decrease in Inventories	(209,184,840)	(19,236,136)
(Increase)/Decrease in Trade and Other Receivables	175,841,558	77,841,254
(Decrease)/Increase in Trade Payables	18,730,433	(37,103,551)
	(14,612,849)	21,501,567
Cash Generated from Operations :		184,299,774
Less: Interest Paid	(68,207,440)	(75,348,651)
Direct Taxes paid	(14,266,072)	(33,842,109)
	(82,473,512)	(109,190,760)
Net Cash from / (used in) Operating Activities		75,109,014
B. Cash flow from Investing Activities :		
Purchase of Fixed Assets	(69,944,575)	(173,648,270)
Sale of Fixed Assets	50,043,269	29,070,660
Purchase of Investments	(500,000)	(80,968,790)
Sale of Investment	-	5,952,700
Interest Received	470,793	1,966,911
Dividend Received	133,887	132,775
Net Cash from / (used in) Investing Activities		(217,494,014)
C. Cash flow from Financing Activities :		
Proceeds from Share Capital	62,071,765	-
Proceeds from Loans	125,000,000	75,000,000
Repayments of Loans	(116,721,180)	(60,838,825)
Increase / (Decrease) in Bank Borrowings	(59,703,006)	136,558,469
Dividend Paid	(1,583,585)	(7,069,660)
Tax on Dividend Paid	(261,723)	(1,219,094)
Repayment of Preference Shares	(2,130)	(4,470)
Payment to Fractional Share Holders	(45)	-
Net Cash from / (used in) Financing Activities		142,426,420
Net increase / (decrease) in Cash and Cash Equivalents (A-B+C)		41,420
Cash and Cash Equivalents as at 1 April 2009		18,495,330
Cash and Cash Equivalents as at 31 March 2010		18,536,750

In terms of our report of even date attached

D.P. Sen & Co.

Chartered Accountants

S.K. Nayak

Partner

Membership No. 58711

Kolkata, 30th May 2010

B.K. Chowdhury

Senior General Manager (Accounts) &

Company Secretary

For and on behalf of the Board

B. Wadhwa

N. Pujara

} Directors

Kolkata, 30th May 2010

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 1	As at 31 March			
	2010		2009	
SHARE CAPITAL				
Authorised				
40,000,000 (60,000,000) Equity shares of Rs. 5 each	200,000,000		300,000,000	
3,000,000 (5,000,000) 7% Cumulative Preference shares of Rs. 10 each	30,000,000		50,000,000	
24,000,000 (Nil) 2% Cumulative Preference shares of Rs 5 each	120,000,000	350,000,000	-	350,000,000
Issued, Subscribed and Paid up				
22,533,000 (22,533,000) Equity shares of Rs.5 each fully paid up *	112,665,000		112,665,000	
2,200,000 (22,00,000) 7% Cumulative Preference Shares of Rs.10 each fully paid up **	22,000,000		22,000,000	
12,414,353 (Nil) Non Convertible 2% Cumulative Preference shares of Rs. 5/- each fully paid up.***	62,071,765	196,736,765	-	134,665,000
		196,736,765		134,665,000
Notes :				
* Out of the above 1,85,002 Equity shares were allotted as fully paid up bonus Shares and 20,250,048 Equity Shares were allotted as fully paid up shares on amalgamation of The Champdany Industries Ltd. with the company, 484 shares were cancelled due to cross holding.				
** The Company has allotted 22,00,000 7% Cumulative Preference Shares of Rs. 10/- each on 25.09.04. which are redeemable at par on or before the expiring of twenty years from the date of allotment.				
***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 three years.				
(Figure in brackets relate to previous year)				
SCHEDULE 2				
RESERVES & SURPLUS				
Capital Reserves				
Opening Balance	3,036,676		3,379,734	
Less: Recoupment of depreciation	(343,058)	2,693,618	(343,058)	3,036,676
Capital Redemption Reserve				
Opening Balance	7,500,000		2,500,000	
Add : Transferred from Profit and Loss Account	-	7,500,000	5,000,000	7,500,000
Investment Fluctuation Reserve		1,654,290		2,028,210
Securities Premium Account		246,400,000		246,400,000
Revaluation Reserve				
Opening Balance	305,226,731		342,936,922	
Less : Amount transferred to Profit & Loss Account				
- Depreciation for the year on amount added on revaluation	(9,557,499)		(13,431,169)	
- Adjustments relating to fixed assets sold/retired / written off during the year	-		(24,279,022)	
		295,669,232		305,226,731
General Reserve				
Opening Balance	288,765,947		263,765,947	
Add : Amount Transferred from Profit & Loss Account	-	288,765,947	25,000,000	288,765,947
Deferred Tax Reserve		852,453		852,453
Profit & Loss Account				
Balance Carried forward		1,522,393		45,782,735
		845,057,933		899,592,752

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 3	As at 31 March			
	2010		2009	
SECURED LOANS				
From Banks/ Financial Institution				
Cash /Packing/Other Credit Accounts*	630,047,485		658,750,491	
Working Capital Demand Loan*	92,000,000		123,000,000	
Term Loan From Bank**	100,000,000	822,047,485	50,000,000	831,750,491
From Financial Institutions				
Term Loans ***		213,303,532		255,024,711
		1,035,351,017		1,086,775,202

Notes:

* Secured by hypothecation on stocks of raw material, stock -in-process, stores, manufactured goods, book debts, bill, moveable plant & 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 creat 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.

** Secured by deposit of title deeds of the property owned by other Companies.

*** Secured by first charge on the entire fixed assets of the company, present and future and second pari- passu charge on the entire current assets of the company, present and future.

SCHEDULE 4				
UNSECURED LOANS				
From Bodies Corporate		29,000,000		29,000,000
Interest accrued and due		2,901,242		2,901,242
		31,901,242		31,901,242

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE 5 : FIXED ASSETS

Rupees

	GROSS BLOCK AT COST / VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
Description	As at 1 April 2009	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2010	As at 1 April 2009	For the year	On assets sold/adjusted during the year	As at 31March 2010	As at 31 March 2010	As at 31 March 2009
Freehold Land	244,392,612	18,920,080	3,091,004	260,221,688	-	-	-	-	260,221,688	244,392,612
Leasehold Land	19,733,819	-	-	19,733,819	2,523,915	224,481	-	2,748,396	16,985,423	17,209,904
Buildings	457,332,924	19,596,507	-	476,929,431	309,322,044	14,194,700	-	323,516,744	153,412,687	148,010,880
Plant & Machinery										
- General	1,988,126,223	66,437,761	-	2,054,563,984	1,516,921,285	68,704,966	-	1,585,626,251	468,937,733	471,204,938
- Electrical	80,385,814	2,580,877	-	82,966,691	66,066,166	2,030,818	-	68,096,984	14,869,707	14,319,648
Motor Vehicles	6,907,564	125,000	352,416	6,680,148	6,064,626	275,783	345,075	5,995,334	684,814	842,938
Furniture, Fittings and Office Equipments	26,194,348	2,020,209	-	28,214,557	21,938,569	1,370,442	-	23,309,011	4,905,546	42,55,779
Assets retired from active use	3,189,779	-	-	3,189,779	-	-	-	-	3,189,779	3,189,779
Sub - total	2,826,263,083	109,680,434	3,443,420	2,932,500,097	1,922,836,605	86,801,190	345,075	2,009,292,720	923,207,377	903,426,478
Capital Work-in- Progress				113,892,489					113,892,489	153,628,348
Total				3,046,392,586					1,037,099,866	1,057,054,826
As at 31st March 2009	2,779,247,662	136,355,626	89,340,205	2,979,891,431	1,873,677,644	98,357,940	49,198,979	1,922,836,605	1,057,054,826	

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 6	As at 31 March	
	2010	2009
INVESTMENTS - Long Term		
- Trade (Quoted)		
Woolcombers of India Limited, (In liquidation) 1,63,592 Equity Shares of Rs, 10/- each	1	1
- Other than Trade		
In Government Securities :		
National Savings Certificate (VIII) Issue	4,000	4,000
In fully paid up shares and debentures		
Quoted:		
Tata Tea Limited.		
465 Equity Shares of Rs.10 each	2,300	2,300
UCO Bank Limited.,		
15,000 Equity Shares of Rs.10 each	449,250	449,250
Oil Country Tubular Limited,		
40,000 Equity Shares of Rs. 10 each	878,000	878,000
Rama Newsprint and Paper Limited.		
10,000 Equity Shares of Rs.10 each	588,000	588,000
Fresenius Kabi Oncology Ltd, (Formerly known as Dabur Pharma Limited)		
12,500 Equity Shares of Re. 1 each	625,000	625,000
Aptech Limited,		
10,300 Equity Shares of Rs. 10 each	366,680	366,680
	2,909,230	2,909,230
Unquoted:		
Woodlands Hospital & Medical Research Centre Limited,		
130 1/2% Debentures of Rs.100 each	13,000	13,000
Woodlands Hospital & Medical Research Centre Limited		
23,000 non- redeemable 5% Regd Debenture Stock 1957	23,000	23,000
Wellington Jute Mills Employees' Consumers' Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	2,500	2,500
Anglo India Employees Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	2,500	2,500
Naffar Chandra Jute Mills Limited.		
50,000 Equity Shares of Rs.10 each	10,000	10,000
Forfar Weavers Limited., U.K.		
76,000 Equity Share of STG pound 1 each	5,133,040	5,506,960
	5,184,040	5,557,960
In Subsidiary Companies		
Champdany Construction Limited		
8101959 Equity Shares of Rs 10 each	81,219,910	81,219,910
West Bengal Multifiber Jute Park Limited		
45000 Equity Shares of Rs 10 each.	450,000	450,000
Landale & Clark Limited,		
20,000 Equity Shares of Rs. 100 each	4,325,000	4,325,000
AIC Properties Limited		
50,000 Equity Shares of Rs. 10 each	500,000	-
	94,592,181	94,466,101

Notes : 1) Aggregate Market Value of the Quoted Shares **Rs.88,59,870** (31.3.2009 Rs. 35,40,306)
2) Where Quotations are not available, cost has been considered as the market value.

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 7	As at 31 March	
	2010	2009
INVENTORIES		
Stores and Spares	80,288,093	79,814,646
Raw Materials	353,749,952	247,614,721
Work-in-Process	114,297,390	81,079,360
Finished Goods	728,553,360	659,195,228
	1,276,888,795	1,067,703,955
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured		
Debtors over six months		
Considerd good	17,851,691	14,251,273
Considerd doubtful	-	53,527,908
	17,851,691	67,779,181
Less: Provision for doubtful debtors	-	(40,145,931)
	17,851,691	27,633,250
Other debtors	62,548,294	195,809,640
	80,399,985	223,442,890
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in hand	462,539	510,195
With Scheduled Banks:		
- in Current Accounts(including cheques in hand)	927,219	596,915
- In Cash Credit Accounts	13,034,279	5,086,771
- in Unpaid Dividend Accounts	642,940	684,699
- Redemption cum dividend Account	105,112	109,068
- Margin Money Deposit	-	15,000
- in Fractional Share Account	12,057	12,102
- Fixed Deposit Account	-	11,522,000
	15,184,146	18,536,750
SCHEDULE 10		
LOANS AND ADVANCES (Unsecured and Considered Good)		
Claims/Amount Receivable	176,072,247	191,433,898
Advances recoverable in cash or in kind or for value to be received	74,899,117	91,359,547
Balances with Customs, Excise, Port Trust etc.	2,473,414	2,508,335
Deposits	7,337,232	8,278,883
Advance payment of Taxes (net of Provision for taxation)	-	36,237,668
	260,782,010	329,818,331

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 11	As at 31 March			
	2010		2009	
CURRENT LIABILITIES				
Sundry Creditors				
- Dues of SSI Undertakings	-		-	
- Others*	563,236,084	563,236,084	598,375,352	598,375,352
Liability towards Investors Education and Protection Fund under section 205 C of the Companies act, 1956 not due				
- Unpaid Dividends		691,462		735,047
- Fractional Share Account		12,057		12,102
- Redemption of Preference shares		56,590		58,720
Interest accrued but not due on loans		647,621		763,215
Other Liabilities		10,807,538		11,116,837
*Rs. 2,096,665 (31.03.2009 Rs. 833,103) as amount due to Subsidiary Companies		575,451,352		611,061,273
SCHEDULE 12				
PROVISIONS				
Gratuity		57,786,000		3,607,000
Provision For Taxation (net of Advance)		3,440,346		-
Proposed Dividend on Preference Shares		-		1,540,000
Tax on Dividend		-		261,723
		61,226,346		5,408,723
SCHEDULE 13				
	2009-10		2008-09	
SALES AND RELATED INCOME				
Sales And Related Income		2,469,050,251		3,087,363,379
Less: Excise Duty & Cess		21,422,727		21,329,633
		2,447,627,524		3,066,033,746
SCHEDULE 14				
INCOME FROM OTHER SOURCES				
Surplus (Net) on disposal of Fixed Assets		35,928		13,229,452
Dividend from long term investments		133,887		132,775
Rent Received	6,920,227		6,801,236	
Less: Rent Paid	(3,439,803)	3,480,424	(5,069,326)	1,731,910
Miscellaneous Income		1,626,986		1,051,240
Exchange Difference (Net)		4,481,175		-
Liabilities no longer required written back		3,989,340		-
		13,747,740		16,145,377

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 15	2009-2010		2008-2009	
OPERATING EXPENSES				
Employees' Remuneration and Benefits				
Salaries, Wages and Bonus	493,024,876		575,132,498	
Contribution to Provident Funds and other Funds(net of liability no longer required written back Rs Nil (2008-09 Rs 44,015,747)	78,946,302		35,209,044	
Workmen and Staff Welfare Expenses	7,095,422		7,135,869	
		579,066,600		617,477,411
OTHER EXPENSES				
Raw Materials Consumed		1,193,640,072		1,153,805,425
Purchase of goods		164,069,279		416,600,055
Export Freight		21,351,284		130,977,950
Power & Fuel		131,892,012		148,341,497
Stores Consumed		112,970,666		147,705,113
Discounting charges on Export Bills		3,128,671		4,455,584
Printing, Stationery & Communication		5,716,199		6,806,475
Bank Charges		17,205,348		18,495,594
Insurance		7,259,966		7,140,216
Transport & Handling		94,673,642		100,672,612
Repairs - Plant & Machinery	1,054,505		1,442,196	
- Buildings	2,443,053	3,497,558	2,495,248	3,937,444
Brokerage, Commission and Market				
Promotion Expenses		12,482,630		42,766,397
Rates & Taxes		3,715,385		5,340,850
Directors' Fees		420,000		315,000
Auditors' Remuneration		330,900		337,080
Export Expenses		5,622,594		21,802,785
Processing Charges	29,389,005		27,416,190	
Less : Processing Charges recovered	-	29,389,005	(12,177)	27,404,013
Miscellaneous Expenses		25,247,572		37,902,946
Less: Amount transferred to other accounts		(7,873,506)		(8,507,075)
		2,403,805,877		2,883,777,372
SCHEDULE 16				
INTEREST				
- On Fixed Loans	27,261,549		24,429,370	
- On Others	40,830,297	68,091,846	50,398,918	74,828,288
Less : Interest Income				
- On Loans & Deposits (Gross)*		(470,793)		(1,966,911)
Interest (Net)		67,621,053		72,861,377
*Tax deducted at source : Rs 15,468(2008-09 Rs. 387,195)				

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

SCHEDULE -17

NOTES TO 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 have 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 & 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 21st May 1986.

b) Reducing Balance Method

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

Other Units

(i) Reducing Balance Method

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

(ii) Straight Line Method

On Plant & Machinery acquired after 31st March 1979	
On assets acquired upto 30th September 1986	At rates previously determined in accordance with Section 205(2)(b) of the Companies Act, 1956.

On assets acquired after 30 th 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 Profit & Loss Account.

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 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 & 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 capitalised 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 & Development is charged to Profit & Loss Account of the year in which it is incurred.

1.14. Capital expenditure on Research & 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.

		<u>Rs. in lacs</u>		
		<u>Year ended</u> <u>31.03.10</u>	<u>Year ended</u> <u>31.03.09</u>	
2.	Estimated amount of contract remaining to be executed on capital account not provided for	59.84	80.45	
3.	Contingent liabilities in respect of:			
a)	Bank Guarantees:	1798.05	3111.09	
b)	Bank Guarantees issued on pledged of shares by other companies	432.54	432.54	
c)	Claims for Income Tax, Wealth Tax, Commercial Taxes not acknowledged as debt and under appeal	889.29	1019.07	
d)	Other claims not acknowledged as debt	349.99	344.45	
e)	Bills drawn on customers and discounted with banks and advances against collection	311.86	523.31	
4.	Capacity & Production:			
The company manufactures jute / jute diversified Products & Flax Products and the relevant particulars thereof are as under.				
<u>Class of Goods</u>	<u>Units</u>	<u>Licensed Capacity</u> <u>(Refer note 1 below)</u>	<u>Installed Capacity</u> <u>(Refer note 2 below)</u>	<u>Actual Production</u> <u>(Refer note 3 below)</u>
Jute / Jute Diversified Products	MT	149,530 (149,530)	113,486 (113,486)	45,170 (56,160)
	Sq Mtr.	15,34,128 (15,34,128)	14,06,390 (14,06,390)	NIL NIL
Flax Products	MT	1,454 (1,454)	1,235 (1,235)	416 (518)

Notes:

- (1) The Licensed Capacity of Wellington Jute Mills has been estimated by the Management based on the number of spindles licensed at the Mill. The Licensed Capacities in respect of the Export Oriented units, Shalimar unit, Flax unit and Carpet unit are in accordance with respective industrial licenses.

Licensed capacity in case of mill at Jagatdal as per Jute Commissioner's letter no. Jute (T) 1/6(2)/77-78 dated 27.12.1977.

- (2) Installed capacity in case of mill at Jagatdal has been certified by the company's Technical Expert (after considering sale of Lower Mill undertaking during 1986-87) and for other Units as certified by Directors and accepted by the Auditors.

- (3) Excludes data for captive consumption.

- (4) Figures on parenthesis represent data for 2008-09.

5. Sale of Jute / Jute diversified Products – 47,790 MT, Rs.22,562.36 lacs (2008-09 – 72,796 MT, Rs.28,596.21 lacs), Sale of Flax Products – 425 MT, Rs.1,073.68 lacs (2008-09 - 454 MT, Rs.1,291.21 lacs), Sale of Raw Jute - 3,327 MT, Rs.809.21 lacs (2008-09 – 5,402 MT, Rs. 797.17 lacs) and Sale of Flax Fibre – Nil MT, Rs. Nil (2008-09 - 20 MT, Rs.12.55 lacs).

6. Jute Carpets / Jute diversified Products have been treated as belonging to the same class as Jute / Jute Diversified Products and accordingly, information relating to Turnover, Capacities and Production of Jute Carpets / Jute diversified Products have been included in note 4 and 5 respectively.

7. Stock of Finished goods of Jute / jute diversified Products (Packed/ unpacked) Opening Stock – 11,212 MT, Rs. 5,019.91 lacs (2008-09 – 15,828 MT, Rs. 5,672.80 lacs) Closing Stock – 10,615 MT, Rs.5,364.32 lacs (2008-09 – 11,212 MT, Rs. 5,019.91 lacs).

Stock of Finished goods of Flax Products (Packed/ unpacked) Opening Stock – 598 MT, Rs. 1,572.04 lacs (2008-09 – 534 MT, Rs. 1,147.64 lacs) Closing Stock – 589 MT, Rs.1,921.21 lacs (2008-09 – 598 MT, Rs. 1,572.04 lacs).

Rs. in lacs

	Jute/ Jute diversified Products		Flax Products	
	Year ended 31.03.10	Year ended 31.03.09	Year ended 31.03.10	Year ended 31.03.09
8. C.I.F. Value of imports during the year				
a) Raw Material	2512.63	908.72	541.52	791.11
b) Component of Stores & Spares parts	12.21	51.55	4.35	1.90
c) Capital Goods	-	406.44	-	-
		Year ended 31.03.10	Year ended 31.03.09	
9. Expenditure in Foreign Currency - other matter		175.88	292.69	
10. Earnings in Foreign Exchange (Export on FOB basis)				
(a) Jute/Jute diversified Products		4 370.10	12716.09	
(b) Flax Products		125.21	27.64	
11. Value of Raw materials (Jute/Jute yarn) and Stores & Spares consumed:				
	2009-10		2008-09	
	% to total consumption	Rs. in lacs	% to total consumption	Rs. in lacs
Imported	13.69	1677.27	5.48	646.91
Indigenous	86.31	10576.29	94.52	11165.12
	100	12253.56	100	11812.03
Value of Raw materials (Flax Fibre) and Stores & Spares consumed:				
Imported	87.87	713.97	88.91	1069.61
Indigenous	12.13	98.58	11.09	133.46
	100	812.55	100	1203.07
12. Raw material consumed - Jute/Jute yarn - 48,227 MT, Rs.11,218.92 lacs (2008-09 – 62,953 MT, Rs. 10,458.57 lacs) Flax Fibre - 634 MT, Rs. 717.48 lacs (2008-09 – 665 MT, Rs. 1,079.48 lacs)				
13. Purchase of goods includes purchase of jute goods - 2023 MT, Rs.837.07 lacs (2008-09 – 12,020 MT, Rs. 3,378.07 lacs).				
14. Segment Information:				
The Company has considered two Business Segments viz; Jute/jute diversified Products & Flax Products.				
A. <u>Primary Segment Disclosure</u>				Rs. in lacs
<u>Particulars</u>	Jute & Jute diversified products 2010	Flax Products 2010	Total 2010	
<i>Revenue</i>				
External Turnover	23,401.46	1,074.82	24,476.28	
Other Income	136.14	-	136.14	
<i>Result</i>	582.50	165.24	747.74	
Unallocated			1.34	
Operating Profit			749.08	
Interest Expenses			680.92	
Interest Income			4.71	
Income Taxes			(9.13)	
Net Profit			82.00	
<i>Other Information</i>				
Segment Assets	22,838.98	3,864.57	26,703.55	
Unallocated			945.92	
Total Assets			27,649.47	
Segment Liabilities	15,682.86	1,092.27	16,775.13	
Unallocated			456.39	
Total Liabilities			17,231.52	
Capital Expenditure	655.77	43.68	699.45	
Depreciation	629.88	142.56	772.44	
Amortisation	3.43		3.43	

B. Information about Secondary Segments

Rs. in lacs

a) Revenue & Sundry Debtors as per Geographical Markets

<u>Particulars</u>	<u>Revenue</u> <u>2010</u>	<u>Sundry Debtors</u> <u>2010</u>
India	19,925.60	613.63
Outside India	4,688.16	190.37
Total	24,613.76	804.00

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

Note: This is the first year of Segment Reporting.

		<u>Rs. in lacs</u>
15. Deferred Tax:	Year ended <u>31.03.10</u>	Year ended <u>31.03.09</u>
i) Liability at the beginning of the year	216.19	381.34
ii) Difference between book & tax depreciation	(23.96)	(62.58)
iii) Difference between book & tax depreciation relating to earlier years	-	(75.73)
iv) On carried forward losses as per income-tax computation	-	(26.84)
v) Deferred tax liability at the end of the year	<u>192.23</u>	<u>216.19</u>

16. 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) West Bengal Multifibre Jute Park Ltd	Subsidiary-90%
d) AIC Properties Ltd	Subsidiary 100%
e) Mr. Nirmal Pujara	Key Management Personnel

(b) Transactions during the year with related parties

<u>Transactions</u>	<u>Subsidiary</u>	<u>Rs.in lacs</u> <u>Key Management</u> <u>Personnel</u>	<u>Total</u>
i) Landale & Clark Ltd			
Rent Paid	3.15		3.15
	(3.15)		(3.15)
Reimbursement of Expenses	2.26		2.26
	(3.03)		(3.03)
Interest bearing Advance	7.50		7.50
	(Nil)		(Nil)
Advance refund	Nil		Nil
	(1.50)		(1.50)
Interest paid	0.75		0.75
	(Nil)		(Nil)
Credit Balance Outstanding as at 31 st March, 2010	17.87		17.87
	(8.33)		(8.33)
ii) Champdany Constructions Ltd.			
Investment in shares on transfer of Unit	Nil		Nil
	(805.19)		(805.19)
Advance paid	10.44		10.44
	(10.50)		(10.50)
License fee paid	9.90		9.90
	(Nil)		(Nil)
Balance amount as at 31 st March, 2010	12.03		12.03
	(10.50)		(10.50)
iii) AIC Properties Ltd			
Investment in shares	5.00		5.00
Interest bearing Advance	3.00		3.00
Interest paid	0.11		0.11
Credit Balance Outstanding as at 31 st March, 2010	3.10		3.10

<u>Transactions</u>	<u>Subsidiary</u>	<u>Rs.in lacs</u> <u>Key Management</u> <u>Personnel</u>	<u>Total</u>
iv) West Bengal Multifibre Jute Park Ltd Investment in shares	Nil (4.50)		Nil (4.50)
Advance paid	0.02 (7.72)		0.02 (7.72)
Advance refund	Nil (4.73)		Nil (4.73)
Balance amount as at 31 st March, 2010	3.01 (2.99)		3.01 (2.99)
v) Mr. Nirmal Pujara Remuneration paid (whole time Director)	(15.97) (15.29)		(15.97) (15.29)

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

	<u>Rs. in lacs</u> <u>Year ended</u> <u>31.03.10</u>	<u>Year ended</u> <u>31.03.09</u>
17. (a) 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	<u>0.31</u>	<u>0.37</u>
	<u>3.31</u>	<u>3.37</u>
(b) Managerial Remuneration		
i) Whole-time Director		
Salary	12.00	12.00
Perquisites	<u>3.97</u>	<u>3.29</u>
	15.97	15.29
ii) Other Directors		
Sitting Fees	<u>4.20</u>	<u>3.15</u>
iii) Total (i + ii)	<u>20.17</u>	<u>18.44</u>
18. Earning Per Share (EPS) has been computed as under:		
a) Profit attributable to Equity shareholders (Rs. in lacs)	63.90	299.36
b) Basic & Weighted average		
No. of Equity shares outstanding during the year	22,533,000	22,533,000
c) Earning per share {(a) / (b)}	Rs. 0.28	Rs.1.33
(Basic & diluted)	(Face Value Rs.5)	(Face Value Rs.5)
19. Remittance in Foreign Currencies for Dividends		
No. of non-resident shareholders	Two	Two
No. of shares held by non-resident shareholders:	4,266,666 Shares	4,266,666 Shares
Amount of Dividend remitted (Gross) in respect of year to which such dividends relate – 2008-09 (Previous year 2007-08)	Nil	21.33 lacs
20. 100% EOU Narayanpur and Shalimar Units have been closed with due process of law. Operations at 100% EOU Yarn Unit at Konnagar, continued to be under suspension. Working at Yarn Unit and Libra Carpet Unit at Choudwar have been suspended from 28 th December 2005 and 1 st May 2006 respectively. 100% EOU yarn Unit at Rishra (debonded with effect from 17 th December 2009) and Weaving Unit at Rishra were under suspension of work from 30 th August 2009 to 8 th December 2009 and 6 th September 2009 to 11 th December 2009 respectively due to labour unrest. There was an industry wide strike from 14 th December 2009 to 12 th February 2010. 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'.		

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

(Rs. in lacs)

22. Exceptional Item (net) represents:	<u>2009-10</u>
Provision for gratuity	(409.22)
Bad debt written off	(535.28)
Cess on debonding of EOUs	(9.41)
Total Debit	<u>(953.91)</u>
Provision for doubtful export debtors no longer required written back	401.46
Surplus from sale of fixed assets	<u>469.09</u>
Total Credit	<u>870.55</u>
Exceptional Item (Net)	<u>(83.36)</u>

23. As approved by the shareholders at the Annual General Meeting of the company held on 29th 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 19th September 2008.
24. 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 Profit and Loss Account, along with the underlying transactions.
25. In respect of the fire occurred on 22nd April 2006 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.
The company has filed necessary claim with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claim.
26. 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.
27. (a) The company has received the eligibility certificate from Sales Tax Authorities for the net value of fixed capital assets amounting to Rs.773 lakhs and on gross addition to fixed assets amounting to Rs.616 lakhs 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 lakhs 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) Advances recoverable in cash or kind or value to be received - 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) In the opinion of the management, no diminution of permanent nature in the year-end carrying value of investment with Landale & Clark Limited is likely to arise and accordingly no provision is considered necessary.
28. 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.
29. The Company obtained an order passed by the Learned 1st Civil Judge, Senior Division at Alipore, directing Bailiff for handing over the vacant possession of the Company's flat at Woodland Syndicate, to the Company on the score of non-compliance of the order passed by the Hon'ble High Court wherein the decree passed by the Trial Court is under challenge. The process of handing over is still pending owing to resistance (forcefully) by the Judgement-Debtors and/or their men and agents. Company duly filed a miscellaneous proceeding for police help. The exact amount of claim on account of mesne-profit that will be ultimately received in respect of the wrongful occupation of the flat is not ascertainable at this stage and accordingly nothing has been accounted for as income in these accounts in respect of the aforesaid claim. Such claim will be accounted for as and when such amount is received by the company.

30. (a) According to Calcutta High Court Order of February, 1987 as modified in February 1988 in connection with pending litigation initiated by Goodricke Group Ltd. against Cosmopolitan Investments Ltd. and others including the company, the company is refrained from transferring the Fixed Assets (except dealing with the said Fixed Assets by creating charges and / or mortgages in favour of Financial Institutions / Nationalized Banks) till disposal of related applications except with the leave of Court. Accordingly, the deed of Conveyance pertaining to the relevant lower Mill's assets transferred in October 1986 pursuant to an agreement of sale dated 17th September 1986 is yet to be executed. This matter is sub-judice before the High Court of Calcutta.
- (b) Liability for Sales Tax and Raw Jute Tax dues pertaining to the period upto 4th February, 1994 (date of sanction of the Rehabilitation Scheme by BIFR) as finally confirmed in terms of BIFR Order dated 20th July, 1995, was Rs.466 lacs which has been paid by the company as per the Scheme sanctioned by BIFR and agreed by Sales Tax authorities.
31. The Company has maintained separate books of account for each of its 100% Export Oriented units at Rishra(debonded on 17th. December, 2009), Narayanpur and Konnagar (Yarn) and for the Wellington Jute Mills 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.
32. The name of the company had been changed with the consent of the Central Government, from Anglo India Jute Mills Company Limited to AI Champdany Industries Limited with effect from 19th May, 2005.
33. Previous year's figures have been rearranged wherever necessary to conform to those of current year.

Signature to Schedule 1 To 17

For and on behalf of
D.P Sen & Co.
Chartered Accountants
S K Nayak
Partner
Date : 30 May, 2010

B K Chowdhury
Sr General Manager (Accounts)
& Company Secretary

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

(Information pursuant of Part IV Schedule VI to the Companies Act, 1956.)

- I. Registration Details:
CIN: L51909WB1917PLC002767 State Code: 21 Balance Sheet Date : March 31, 2010
- II. Capital raised during the year (Rupees in Thousands)
Public Issue : Nil Right Issue : 62,072 Bonus Issue : Nil Private Placement : Nil
- III. Position of Mobilisation and Deployment of Funds (Rupees in Thousands)
- | | | | |
|------------------------|-----------|---|-----------|
| Total Liabilities | 2,128,269 | Total Assets | 2,128,269 |
| Sources of Funds: | | Application of Funds: | |
| Paid up Capital | 1,96,737 | Net Fixed Asset | 1,037,100 |
| Reserves & Surplus | 8,45,058 | (including Capital Expenditure in Progress) | |
| Secured Loans | 1,035,351 | Investments | 94,592 |
| Unsecured Loans | 31,901 | Net Current Assets | 996,577 |
| Deferred Tax Liability | 19,222 | | |
- IV. Performance of Companies (Rs. in Thousands)
- | | | | |
|-------------------------|-----------|-------------------|-----------|
| Turnover & Other income | 2,461,375 | Total Expenditure | 2,454,088 |
| Profit before tax | 7,287 | Profit after tax | 8,200 |
| Earning per share (Rs.) | 0.28 | Dividend | Nil |
- V. Generic names of three principal products of the company (as per Monetary terms)
- | | | |
|---------------------|---|-------------------|
| 1. Item Code No. | : | 630510.04 |
| Product description | : | Jute Sacking Bags |
| 2. Item Code No. | : | 531010.03 |
| Product description | : | Hessian Cloth |
| 3. Item Code No. | : | 530710.01 |
| Product description | : | Jute Yarn |

B K Chowdhury
Sr. General Manager (Accounts) &
Company Secretary

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

Place : Kolkata
Date : 30 May, 2010

LANDALE & CLARK LIMITED

DIRECTORS' REPORT

Your Directors submit their Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2010.

FINANCIAL RESULTS

	<u>Amount (Rs.)</u>
Profit before Depreciation and Taxation	243390
Depreciation	118
Profit before Tax	243272
Provision for Taxation	42000
Profit after Tax	201272
Adjustment relating to earlier years (Taxes)	407
(Loss) brought forward from the Previous Year	(1616075)
(Loss) carried to Balance Sheet	(1414396)

No further information has been received with regard to the assets and liabilities in Bangladesh and these are therefore, incorporated in the Accounts as per last Balance Sheet.

BOARD OF DIRECTORS

Shri Dinesh Prasad, Director, retires by rotation and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required U/s 217(2AA) of the Companies Act, 1956, your Directors confirm that :-

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2010 and of the Profit of the Company for the year ended 31st March 2010.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts on a going concern basis.

AUDITORS

M/s Dass & Ghosh, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

AUDITORS' REPORT

As regards Auditors' observation, the Notes provided in the Accounts are self-explanatory.

COMPLIANCE CERTIFICATE

(Under Rule 3 of the Compliance Certificate Rules, 2001)

The Report of Secretarial Compliance as required U/s 383A(1) of the Companies Act, 1956, as given by a Practicing Secretary is attached which forms an integral part of the Report.

STAFF

The provisions of Section 217 (2A) of the Companies Act, 1956 are not applicable as no employee was in receipt of remuneration to the extent laid down therein.

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

Considering the nature of its activities, no measures were/ are required to be taken by the Company for energy conservation and/or for additional investments for reduction in energy consumption.

There is no involvement of any technology absorption in the Company's activities during the year.

Further, there has not been any Foreign Exchange earnings or outgo during the year.

Place: Kolkata
Date : 21.05.2010

On behalf of the Board

J. Pujara }
M.K.Roy } Directors

COMPLIANCE CERTIFICATE UNDER RULE 3 OF THE COMPANIES (COMPLIANCE CERTIFICATE) RULES, 2001.

CIN :- U65993WB1908PLC001826

Nominal Capital :- Rs. 55,00,000/-

To, The Members, Landale & Clark Ltd. 18, N. S. Road, 1st Floor, Kolkata-700001.

We have examined the registers, records, books and papers of **M/s. Landale & Clark Ltd.** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanation furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per provisions and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government Company Law Board or other authorities within the time prescribed under the Act and rules made thereunder.
3. The company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 4 (Four) times respectively on 20th May, 2009; 27th July, 2009; 13th October, 2009; and 9th January, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members or Debenture holders during the financial year.
6. The annual general meeting for the financial year ended on 31, March, 2009 was held on 25th July, 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to u/s. 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Sec. 297 of the Act.
10. The company was not required to make any entries in the register maintained u/s. 301 of the Act.
11. As there were no instances falling within the purview of Sec. 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Govt., as the case may be.
12. The company has not issued any duplicate certificates during the financial year.
13. The Company has :
 - i) not made any allotment/transfer/transmission of securities during the financial year.
 - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) not posted warrants to any member of the company as no dividend was declared during the financial year.
 - iv) duly complied with the requirement of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The company has not appointed any managing director/whole-time director/manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Govt., CLB, Regional Director, ROC and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares, pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of Sec. 58A during the financial year.
24. The Company has not made any borrowings during the financial year ending 31st March, 2010.
25. The company has made Investments to other Bodies Corporate in compliance with the

- provisions of the Act and has made necessary entries in the register kept for the purpose. The company has not made loans or advances or given guarantee or provided securities to other Bodies Corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
 28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
 29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
 30. The company has not altered its articles of association during the financial year.
 31. There were no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
 32. The company has not received any money as security from its employees during the financial year.
 33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For B K G & Company
Company Secretaries
Binod Kumar Gupta
Partner
(C. P. No.- 3242)

Place : Kolkata
Date : 21st May, 2010

ANNEXURE A

Registers as maintained by the Company

1. Register of Investments u/s. 49
2. Register of Charges u/s. 143/Copies of instruments creating charge u/s. 136.
3. Register of members u/s. 150 and Index of members u/s. 151.
4. Register of Transfers.
5. Register and Returns u/s. 163.
6. Minutes Book of Board Meetings.
7. Minutes Book of General Meetings.
8. Books of Accounts and other cost records u/s. 209.
9. Register of particulars of contracts in which directors are interested u/s. 301.
10. Register of directors, managing director, manager and secretary u/s. 303.
11. Register of director's shareholdings u/s. 307.
12. Register of Investments or loans made, guarantee given or security provided u/s. 372A
13. Register of director's attendance.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2010.

<u>Sl. No.</u>	<u>Form No./Return</u>	<u>Filed under section</u>	<u>For</u>	<u>Date of filing</u>	<u>Whether filed within prescribed time. Yes/No.</u>	<u>If delay in filing whether requisite additional fee paid. Yes/No.</u>
1.	Annual Return	159	For the AGM held on 25/07/2009	20/08/2009	YES	N. A.
2.	Balance Sheet	220	As on 31/03/2009.	20/08/2009	YES	N. A.
3.	Secretarial Compliance Certificate	383A(1)	As on 31/03/2009.	20/08/2009	YES	N. A.

AUDITOR'S REPORT
TO
THE MEMBERS OF
LANDALE & CLARK LIMITED

1. We have examined the attached Balance Sheet of Landale & Clark Limited as at 31st March 2010 and the Profit & Loss Account for the year ended on that date annexed thereto which are in agreement with the Books of Account. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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 accounts 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.

2 As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets other than lying at Bangladesh.
- (b) The fixed assets of the Company (Other than in Bangladesh) have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company has not disposed off any fixed assets during the year.
- (ii) (a) As explained to us inventories were physically verified during the year by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventing followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) 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 Act.
- (iv) As explained to us, the provisions of clause (v) of the Order are not applicable to the Company as there are no transactions made during the year which need to be entered into the register in pursuance of Section 301 of the Act.
- (v) The Company has not accepted any deposits within the meaning of Sections 58A/58AA or any other relevant provisions of the Act and the rules framed thereunder.
- (vi) As the size of the Company is outside the purview of Internal Audit, the provisions of clause (vii) of the Order are not applicable.
- (vii) As the Company's activities are not falling within the purview of the Cost Audit, the maintenance of Cost records under Section 209(1)(d) of the Act is not applicable.
- (viii) In our opinion, the Company has been regular in depositing provident fund dues with the appropriate authorities. As explained to us, the Company has no liability towards Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues and hence, deposits to the appropriate authorities do not arise.
- (ix) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and also in the immediately proceeding financial year.

Our opinion on the matters specified in the Clause has been arrived at without giving effect to the qualifications in the Audit Report.

- (x) The Company has not accepted any loans from the financial institution/bank/debenture holders.
- (xi) The Company has not granted any advances/loans on the basis of security by way of pledge of share / debentures / other securities.
- (xii) In our opinion the Company is not a chit fund company or nidhi / mutual benefit fund / society and hence, the provisions of clause (xiii) of the Order are not applicable to the Company.
- (xiii) The Company is not dealing or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company.
- (xiv) The Company has not given guarantee for loans taken by others from banks or financial institutions.
- (xv) As explained to us, the Company has not obtained any short/long term loans and hence the provisions of clauses (xvi) and (xvii) of the Order are not applicable to the Company.
- (xvi) The Company has not made any preferential allotment of shares during the year.
- (xvii) No debentures have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
- (xviii) During the year, the Company has not raised money by public issue.
- (xix) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing practices generally accepted in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the Management.

3 We further report that

- i) *In the absence of any information since 28th February 1966, we have been unable to verify the assets and liabilities in Bangladesh as at 31st March 2010 details of which are shown separately in this account which is as per last Balance Sheet.*
- ii) *No provision has been made in this account for possible loss that may arise in respect of investments in Swan Mills Limited (Refer Note No. 4 in Schedule "K").*
- iii) *No provision has been made in these accounts in respect of Sundry Debtors considered doubtful amounting to Rs.5.31 Lakhs. (Refer Note No. 5 in Schedule "K").*
- iv) *No provisions have been made in these accounts for possible loss that may arise in respect of investments and deposits with Companies (Refer Note No. 6 in schedule "K").*
The non-provisions indicated in 3 (ii), 3 (iii) and 3 (iv) above have consequential effects on the profit for the year and on the year end net assets position.
- v) No provision has been made in the accounts in respect of retirement gratuity amounting to Rs.70,790/- (refer note no.7)

4. *Subject to our comments in 3 (ii), 3(iv) and 3(v) above, regarding non provision for permanent fall in the value of investments, in our opinion, the Profit and Loss Account and Balance Sheet of the Company have complied with the accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956.*

5. *Subject to our remarks in 3 above, we have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purposes of our audit.*

6. *In our opinion, subject to our remarks in paragraph 3 above, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.*

7. On the basis of written representation received from the directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (I) of section 274 of the Companies Act, 1956.

8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to our remarks in paragraph 3 above* and read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and the Balance Sheet gives a true and fair view of the State of the Company's affairs as at 31st March 2010 and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date.

For Dass & Ghosh
Chartered Accountants
(F.R.N.- 0306022E)

P K Ghosh
Partner

Membership No. 51664

Kolkata

Dated : 21st May, 2010

BALANCE SHEET AS AT 31ST MARCH 2010**Landale & Clark Limited**

	Schedule	As at 31.03.2010	(Rupees) As at 31.03.2009
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
a) Capital	A	2,000,000	2,000,000
b) Reserves & Surplus	B	<u>1,508,024</u>	<u>1,508,024</u>
		<u>3,508,024</u>	<u>3,508,024</u>
II. APPLICATION OF FUNDS			
1) FIXED ASSETS	C		
Gross Block		133,057	133,057
Less: Depreciation		<u>132,030</u>	<u>131,912</u>
Net Block		1,027	1,145
2) INVESTMENTS	D	1,823,705	1,823,705
3) CURRENT ASSETS, LOANS AND ADVANCES	E		
a) Sundry Debtors		1,501,058	1,364,513
b) Cash & Bank Balances		109,820	873,160
c) Loans and Advances		<u>5,977,087</u>	<u>5,119,585</u>
		<u>7,587,965</u>	<u>7,357,258</u>
Less: CURRENT LIABILITIES & PROVISIONS	F		
a) Liabilities		7,650,329	7,647,419
b) Provisions		<u>98,500</u>	<u>72,500</u>
		<u>7,748,829</u>	<u>7,719,919</u>
NET CURRENT ASSETS		(160,864)	(362,661)
Profit and Loss Account		1,414,396	1,616,075
Net Assets in Bangladesh	G & H	<u>429,760</u>	<u>429,760</u>
		<u>3,508,024</u>	<u>3,508,024</u>

III. NOTES ON ACCOUNTS

K

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

This is the Balance Sheet referred to in our Report of even date.

For and on behalf of

Dass & Ghosh (Chartered Accountants)

(F.R.N.0306022E)

P K Ghosh

Partner

Membership No. 51664

Kolkata, the 21st day of May 2010

On behalf of the Board

J. Pujara

M.K.Roy

} Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Rupees)

	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
INCOME			
Sales and other Incomes	I	<u>542,495</u>	<u>738,253</u>
EXPENDITURE			
Expenses	J	299,105	416,147
Depreciation		118	118
Profit before Taxation		243,272	321,988
Provision for Taxation		42,000	33,500
Profit after Taxation		201,272	288,488
(Loss) Brought forward		(1,616,075)	(1,557,279)
Adjustment relating to earlier years (Taxes)		407	(347,284)
(Loss) Carried to Balance Sheet		(1,414,396)	(1,616,075)
NOTES ON ACCOUNTS	K		

The Schedules referred to above form an integral part of the Profit & Loss A/c

This is the Profit and Loss A/c referred to in our Report of even date

For and on behalf of

Dass & Ghosh

(Chartered Accountants) (F.R.N.0306022E)

P K Ghosh

Partner

Membership No. 51664

Kolkata, the 21st day of May 2010

On behalf of the Board

J. Pujara

M.K.Roy

} Directors

Schedule Forming part of the Balance Sheet

Landale & Clark Limited

(Rupees)

As at 31.03.2010

As at 31.03.2009

A. SHARE CAPITAL1) AUTHORISED

(i) 5,000 7% Cumulative Preference Shares of Rs.100/- each	500,000	500,000
(ii) 50,000 Ordinary Shares of Rs.100/- each	5,000,000	5,000,000
	<u>5,500,000</u>	<u>5,500,000</u>

2) ISSUED, SUBSCRIBED AND PAID UP

20,000 Ordinary Shares of Rs.100/- each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

NOTES :

- (i) All the Ordinary Shares are held by the Holding Company AI Champdany Industries Ltd. (formerly Anglo-India Jute Mills Co. Ltd.) and its nominees
- (ii) 9,992 Ordinary Shares have been allotted as fully paid up pursuant to Contracts without payment being received in cash.

B. RESERVES AND SURPLUS

	As at 01.04.2009	Adjustments during the year ended 31.03.2010	As at 31.03.2010
Capital Reserve	1,008,024	-	1,008,024
Capital Redemption Reserve	500,000	-	500,000
	<u>1,508,024</u>	<u>-</u>	<u>1,508,024</u>

C. FIXED ASSETS

Description of Assets	Original Cost as at 01.04.09	Addition	Original Cost of Assets sold during the year ended 31.03.10	Total Cost as on 31.03.10	Total Deprecia- tion written off upto 31.03.10	NET BLOCK	
						Balance as at 31.03.10	Balance as at 31.03.09
Land (Leasehold and Freehold)	397	-	-	397	-	397	397
Machinery	74,548	-	-	74,548	74,259	289	394
Furniture & Fittings	58,112	-	-	58,112	57,771	341	354
	<u>133,057</u>	<u>-</u>	<u>-</u>	<u>133,057</u>	<u>132,030</u>	<u>1,027</u>	<u>1,145</u>
Previous year	133,057	-	-	133,057	131,912	1,145	-

Notes :

- (i) The value of leasehold and Freehold lands cannot be ascertained separately.
- (ii) Depreciation on Assets have been charged in the Accounts on written down value method as per rates prescribed in Schedule XIV of the Companies Act, 1956 (as amended)

Schedule Forming part of the Balance Sheet

Landale & Clark Limited

(Rupees)

	As at 31.03.2010	As at 31.03.2009
D. INVESTMENTS - (Long Term)		
Other than Trade Investment		
<u>QUOTED</u> (at cost)		
21 Fully paid Equity Shares of Rs.10/- each in RPG Cables Ltd.	300	300
15 Fully paid Equity Shares of Rs.10/- each in Oriental Carbon & Chemicals Ltd.	1,005	1,005
10 Fully paid Equity Shares of Rs.10/- each in earstwhile Basanti Cotton Mills Ltd.	73	73
<u>UNQUOTED</u> (at cost unless otherwise stated)		
35 Fully paid 1/2% Debentures of Rs. 100/- each in Woodland Hospital & Research Centre Ltd. (Formerly East India Clinic Ltd.) (At written down value Re.1/-)	1	1
40 Fully paid 11% Cumulative Redeemable Preference Shares of Rs. 100/- each in Chitrakoot Investments Ltd.	4,020	4,020
58170 Fully paid Equity Shares of Rs.10/- each in Volga Investments Ltd.	581,704	581,704
100 Fully paid 11% Redeemable Cumulative Preference Shares of Rs. 100/- each in Disciplined Investments Ltd.	10,050	10,050
100 Fully paid 11% Redeemable Cumulative Preference Shares of Rs. 100/- each in Volga Investments Ltd.	10,050	10,050
120670 Fully paid Equity Shares of Rs.10/- each in Preoption Investments Ltd.	1,206,452	1,206,452
100 Fully paid 11% Redeemable Cumulative Preference Shares of Rs. 100/- each in Preoption Investments Ltd.	10,050	10,050
	<u>1,823,705</u>	<u>1,823,705</u>

Notes: -

- Market value of the Quoted Investments as on 31.03.2010 Rs.0.01 lakh.(as on 31.03.2009, Rs. 0.01 lakh)
- On amalgamation of Basanti Cotton Mills Ltd. with Swan Mills Ltd., the company is entitled to a fraction of 5/18 of one fully paid Equity Share of Rs. 100/- in Swan Mills Ltd. the proceeds of which are still awaited.

(Rupees)

	As at 31.03.2010	As at 31.03.2009
E. CURRENT ASSETS, LOANS AND ADVANCES :		
SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months		
Considered Good	537,642	537,642
Considered Doubtful	540,004	536,879
	<u>1,077,646</u>	<u>1,074,521</u>
Less: Provision	8,594	8,594
	<u>1,069,052</u>	<u>1,065,927</u>
Other debts considered good	432,006	298,586
	<u>1,501,058</u>	<u>1,364,513</u>
CASH AND BANK BALANCES:		
Cash in Hand	2,636	2,559
With Scheduled Banks, on Current Accounts	82,184	845,601
Preference Share Account	25,000	25,000
Carried forward	<u>1,109,820</u>	<u>873,160</u>
	<u>1,610,878</u>	<u>2,237,673</u>

Schedule Forming Part of the Balance Sheet

Landale & Clark Limited

(Rupees)

As at 31.03.2010

As at 31.03.2009

Brought forward	1,610,878	2,237,673
LOANS AND ADVANCES:		
(Unsecured considered good except where other-wise stated)		
Deposits with companies	4,490,000	4,490,000
Advance payment of tax including tax deducted at source.	327,453	284,129
Advance recoverable in cash or in kind or for value to be received (considered Doubtful Rs.2,50,000/-)	1,070,429	256,251
Sundry Deposits	89,205	89,205
Prepaid Expenses		
Considered Doubtful	2,140	2,140
Less : Provision	2,140	- 5,119,585
	<u>7,587,965</u>	<u>7,357,258</u>

F CURRENT LIABILITIES AND PROVISIONS:

CURRENT LIABILITIES

Sundry Creditors	7,625,329	7,622,419
Unclaimed Redeemed Preference Shares	25,000	25,000
	<u>7,650,329</u>	<u>7,647,419</u>
PROVISION		
Provision for Taxation	98,500	72,500
	<u>7,748,829</u>	<u>7,719,919</u>

G. NET ASSETS IN BANGLADESH As on 28th February, 1966

FIXED ASSETS

As per Schedule H	39,014	39,014
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CURRENT ASSETS, LOANS AND ADVANCES

Debts over six months		
Unsecured considered good	14,442	14,442
Unsecured considered doubtful	58,032	58,032
Less: Provision	58,032	-
	<u>14,442</u>	<u>14,442</u>
CASH AND BANK BALANCE		
Cash in Hand	108	108
On Current Account	2,423	2,423
On Short Term Deposit	807,500	807,500
	<u>810,031</u>	<u>810,031</u>
	<u>863,487</u>	<u>863,487</u>

Less: CURRENT LIABILITIES AND PROVISIONS

Current Liabilities :

Sundry Creditors	29,974	29,974
Provision for Taxation	179,812	179,812
	<u>209,786</u>	<u>209,786</u>
	<u>653,701</u>	<u>653,701</u>

Less: Ad-hoc compensation received from office of the Custodian of

Enemy Property for India, 1975

223,941	223,941
<u>429,760</u>	<u>429,760</u>

H. DESCRIPTION OF FIXED ASSETS (IN BANGLADESH) AS ON 28.02.66

	Cost	Total Depn.	Net Balance
Land (Leasehold & Freehold)	20,000	442	19,558
Buildings	121,270	104,487	16,783
Machinery	33,891	31,283	2,608
Furniture & Fittings	3,348	3,283	65
	<u>178,509</u>	<u>139,495</u>	<u>39,014</u>

NOTES: The value of Leasehold and Freehold lands cannot be ascertained separately.

The status of the Bangladesh Assets in remain unchanged since 1966

Schedule Forming part of the Profit & Loss A/c

Landale & Clark Limited

(Rupees)

	Year ended 31.03.2010		Year ended 31.03.2009	
I. SALES AND OTHER INCOME				
Rental Income		467,700		467,700
Interest Received		<u>74,795</u>		<u>270,553</u>
		<u>542,495</u>		<u>738,253</u>
J. EXPENSES				
1 PAYMENT TO EMPLOYEES				
Salaries, Wages and Bonus	153,200		211,206	
Contribution to Provident, Gratuity Funds etc.	<u>21,208</u>	174,408	<u>14,487</u>	225,693
2 ADMINISTRATIVE AND SELLING EXPENSES				
Rent	13,085		13,085	
Rates and Taxes	4,800		7,300	
Property Tax	25,580		30,965	
Directors' Fees	1,200		1,500	
Electricity Charges	25,926		55,943	
Professional Fees	27,360		30,624	
Auditors' Remuneration	9,000		9,000	
Filing Fees	1,500		-	
Legal Charges	-		3,000	
Subscription	3,000		3,000	
Miscellaneous Expenses *	<u>13,246</u>	<u>124,697</u>	<u>36,037</u>	<u>190,454</u>
		<u>299,105</u>		<u>416,147</u>

K. NOTES ON ACCOUNT

- Accounting Policies :
Some of the significant Accounting Policies are summarised below :
 - Accounting convention : The accounts have been prepared in accordance with the historical cost convention.
 - Fixed Assets and Depreciation : Fixed Assets are stated at historical cost which is inclusive of freight, installation cost, duties & taxes and other incidental expenses. Depreciation is provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.
 - Investments : Long Term Investments are stated at cost unless there is a permanent fall in value.
 - Recognition of Income and Expenditure : Items of income and expenditure are recognised on accrual basis.
 - Retirement Benefits : Monthly contributions are made to approved independent Provident Fund Trust which is charged against revenue. Accrual liability in respect of retirement gratuities are actuarially ascertained every year and funded to the approved independent Gratuity Fund Trust which is charged against revenue.
 - Inventories : Goods in trade are valued at lower of cost and net realizable value.
- In the opinion of the Company, deposits made with the bodies Corporate upto 16th April 1989 do not represent loans coming within the purview of Section 370 of the Companies Act, 1956, (since not applicable) as these have been made prior to the amendment to Section 370 of the Companies Act, 1956, by the Companies (Amendment) Act, 1988 with effect from 17th April 1989 by virtue of which loan includes any deposit of money made by one company with another company, not being a banking company.
- Sundry Creditors include Rs.75.71 lacs disputed by the new management.
- The company has in Swan Mills Ltd. investments (Erstwhile Basanti Cotton Mills Ltd.) of Rs.73/- provision that may be required against possible loss, if any, in respect of the above is not ascertainable during the pendency of the rehabilitation period in pursuance of the scheme approved by BIFR.
- Sundry Debtors includes Rs.5.31 lacs 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.
- 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 Ltd., Disciplined Investments Ltd. Volga Investments Ltd. and Preoption Investments Ltd to the extent of Rs.0.04 lacs, Rs.0.10 lacs, Rs.5.92 lacs and Rs.12.17 lacs respectively and also in respect of deposits with Chitrakoot Investments Ltd. and Volga Investments Ltd. to the extent of Rs.37.50 lacs and Rs.7.40 lacs respectively is not ascertainable at this stage.
- There is under provision for retirement gratuity to the extent of Rs.70,790/-.

Landale & Clark Limited

8. Related Party Transactions : Al Champdany Industries Ltd. - Holding Company
- | | <u>2009-10</u> | <u>2008-09</u> | (Rs.in thousand) |
|--|----------------|----------------|------------------|
| i) Rental Income | 315 | 315 | |
| ii) Sharing of common expenses (receipt) | 226 | 303 | |
| iii) Advance Paid | 750 | 150 | |
| iv) Interest Accrued | 75 | — | |
| v) Balance at the end of the year | 1787 | 833 | |
9. The deferred tax assets as at 31st March 2010 for carried forward unabsorbed business loss and depreciation are not recognised in the accounts in absence of virtual certainty of sufficient future taxable income.
10. The Company has not accounted for rental receivables from certain tenants of the Company's premises due to some dispute since earlier years. The dispute has been partially settled and accordingly accounted for rental income from the financial year 2004-05. The Company is awaiting for positive reply from the tenants to account for the arrear receivables.
11. Previous year's figures have been rearranged/regrouped wherever necessary.

Signature to Schedule A to K

Kolkata, the 21st day of May 2010

On behalf of the Board

J. Pujara
M.K.Roy } Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(In Rupees)

	<u>31.03.2010</u>	<u>31.03.2009</u>
A. Cash Flow from Operational Activities		
Profit before Taxation	243,272	321,988
Add : Depreciation	118	118
Less : Interest	(74,795)	(270,553)
Operating Profit before Working Capital Changes	<u>168,595</u>	<u>51,553</u>
Adjustment for		
(Increase) in Trade & other Receivables	(987,071)	(113,287)
(Decrease) in Sundry Creditors	(3,659)	(3,319)
(Decrease) in Provision W/ Back	(16,000)	-
	<u>(1,006,730)</u>	<u>(116,606)</u>
Net Cash from operating Activities	<u>(838,135)</u>	<u>(65,053)</u>
Tax refund / (Paid)	-	419,149
Net Cash from (used in) Operating activities	(838,135)	354,096
B. Cash flow from Investing activities		
Interest received / receivable	<u>74,795</u>	<u>270,553</u>
Net cash from Investing activities	<u>74,795</u>	<u>270,553</u>
Net Increase / (Decrease) in Cash & Cash Equivalent	(763,340)	624,649
Cash at bank		
Cash & Cash Equivalent as on 01.04.2009	(873,160)	248,511
Cash & Cash Equivalent as on 31.03.2010	<u>(109,820)</u>	<u>873,160</u>
	(763,340)	624,649

For and on Behalf of
Dass & Ghosh
Chartered Accountants
P K Ghosh
Partner
Mem. No. 051664

On behalf of the Board

J. Pujara
M.K.Roy } Directors

Place :Kolkata
Dated : 21.05.2010

LANDALE & CLARK LIMITED

Balance Sheet Abstract and Company's General Business profile (as required under part IV of the schedule VI of the Companies Act, 1956)

Registration Details CIN U65993WB 1908 PLC 1826 State Code 21 Balance Sheet Date 31st March 2010

I.	Capital raised during the year (Rupees in Thousand)			
	Public Issue : Nil	Rights Issue : Nil	Bonus Issue : Nil	Private Placement : Nil
II.	Position of Mobilisation and Deployment of Funds (Rupees in Thousand)			
	Total Liabilities	3508	Total Assets	3508
	Sources of Funds			
	Paid up Capital	2000	Application of Fund	
			Net Fixed Assets	40
	Reserve & Surplus	1508	Investments	1824
	Secured Loans	Nil	Net Current Assets	230
	Unsecured Loans	Nil	Miscellaneous Expenditure	Nil
			Accumulated Loss	1414
III.	Performance of the company (Rupees in Thousand)			
	Turnover	542	Total Expenditure	299
	Profit/(Loss) before Tax	243	Profit/(Loss) after Tax	201
	Earning per Share	10.06	Dividend Rate (%)	Nil
IV.	Generic Names of three Principal Products of company (As per Monetary Terms)			
				Not applicable
Place: Kolkata			On behalf of the Board	
Date : 21.05.2010			J. Pujara	} Directors
			M.K.Roy	

CHAMPDANY CONSTRUCTIONS LIMITED.

DIRECTORS' REPORT

To the Members

Your Directors have pleasure in presenting their report alongwith the Audited Statement of Accounts of Company for the year ended 31st March, 2010.

FINANCIAL RESULTS

	Year ended 31.03.10.	Rupees
Net Profit as per Profit & Loss Account	31,45,862	
Less: Provision for Taxation	<u>10,50,000</u>	
	20,95,862	
Add: Balance brought forward from earlier year	<u>(1,97,661)</u>	
Balance transferred to Balance Sheet	<u>18,98,201</u>	

BOARD OF DIRECTORS

Mr. Jayant Pujara, Director, retires by rotation and being eligible, offers himself for reappointment.

COMPLIANCE CERTIFICATE (Under rule 3 of the Companies Certificate Rules, 2001)

The Report of Secretarial Compliance as required under Section 383A(1) of the Companies Act, 1956, as given by a Practising Secretary is attached which forms an integral part of the report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgements 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 financial year March 31, 2010 and of the profit of the Company for that financial year,
3. the Directors have taken proper and sufficient care for maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
4. the Annual accounts of your Company have been prepared on a going concern basis.

LEGAL MATTER :

The Company has been impleaded in two petitions filed by Blancatex AG and Aldgate International SA, against AI Champdany Industries Ltd., the parent company of the Company before the Company Law Board (CLB). The said two separate petitions under section 397 and 398 of the Companies Act, 1956 amongst other things, have challenged the transfer of Rampur Texpro Unit to the Company by AI Champdany Industries Ltd. In view of the said challenge the CLB vide its order dated 12.01.2010 has restrained the Company from transferring or creating any third party interest in the fixed assets of the Rampur Texpro Unit.

The Company has strongly contested its impleadment in the proceedings, as the petitioners are not Shareholders of the company and has also moved an application for modification of interim order operating against it. The company has sought permission of the CLB to allow it to rent out the warehousing space of the Rampur Texpro Unit till the matter is finally decided. The said application has been rejected by CLB vide its order dated 17.05.2010 without any reasoning whatsoever. The Company is examining the matter for filing an appeal against the said order.

AUDITORS:

M/s. Mookerjee Banerjee & Co., Chartered Accountants, Auditors of the Company, hold office until conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

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

The particulars required under Section 217(1)(e) of the Companies Act, 1956 are not applicable to the Company. There has been no inflow or outflow of foreign exchange during the year.

PERSONNEL

The provisions of Section 217(2A) of the Companies Act, 1956 are not applicable as no employee was in receipt of remuneration to the extent laid down therein.

Dated: 21st May, 2010

For and on On behalf of the Board

J. Pujara }
M.K.Roy } Directors

COMPLIANCE CERTIFICATE UNDER RULE 3 OF THE COMPANIES (COMPLIANCE CERTIFICATE) RULES, 2001.

CIN : U17232WB1993PLC061248

Nominal Capital :- Rs. 220,000,000/-

To, The Members, Champdany Constructions Ltd. 33, C. R. Avenue, Kolkata-700012.

We have examined the registers, records, books and papers of **M/s. Champdany Constructions Ltd.** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanation furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per provisions and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government Company Law Board or other authorities within the time prescribed under the Act and rules made thereunder.
3. The company, being a public limited company, has the minimum prescribed paid up capital .
4. The Board of Directors duly met 4 (Four) times respectively on 25th May, 2009; 27th July, 2009; 13th October, 2009 and 18th January, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose .
5. The company was not required to close its Register of Members or Debenture holders during the financial year .
6. The annual general meeting for the financial year ended on 31, March, 2009 was held on 24th July, 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose .
7. No Extra Ordinary General Meeting was during the financial year .
8. The company has not advanced any loans to its directors or persons or firms or companies referred to u/s. 295 of the Act .
9. The company has not entered into any contracts falling within the purview of Sec. 297 of the Act .
10. The company was not required to make any entries in the register maintained u/s. 301 of the Act

11. As there were no instances falling within the purview of Sec. 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Govt., as the case may be.
12. The company has not issued any duplicate certificates during the financial year.
13. The Company has : i) not made any allotment/transfer/transmission of securities during the financial year. ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year. iii) not posted warrants to any member of the company as no dividend was declared during the financial year. iv) duly complied with the requirement of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The company has not appointed any managing director/whole-time director/manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Govt., CLB, Regional Director, ROC and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares, pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Sec. 58A during the financial year.
24. The Company has not made any borrowings during the financial year ending 31st March, 2010.
25. The company has made Investments to other Bodies Corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The company has not made loans or advances or given guarantee or provided securities to other Bodies Corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the year under scrutiny.
31. There were no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not deducted any contribution towards Provident Fund during the financial year.

Place : Kolkata
Date : 21st May, 2010.

For B K G & Company
Company Secretaries
Binod Kumar Gupta
Partner
(C. P. No.- 3242)

ANNEXURE A

Registers as maintained by the Company :

(1) Register of Investments u/s. 49, (2) Register of Charges u/s. 143/Copies of instruments creating charge u/s. 136., (3) Register of members u/s. 150 and Index of members u/s. 151. (4) Register of Transfers. (5) Register and Returns u/s. 163. (6) Minutes Book of Board Meetings. (7) Minutes Book of General Meetings. (8) Books of Accounts and other cost records u/s. 209. (9) Register of particulars of contracts in which directors are interested u/s. 301. (10) Register of directors, managing director, manager and secretary u/s. 303. (11) Register of director's shareholdings u/s. 307. (12) Register of Investments or loans made, guarantee given or security provided u/s. 372A (13) Register of director's attendance.

ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies , Regional Director , Central Government or other authorities during the financial year ending on 31st March , 2010 .

Sl. No.	Form No./Return	Filed u/s	For	Date of filing	Whether filed within prescribed time. Yes/No.	If delay in filing whether requisite additional fee paid. Yes/No.
1.	Annual Return	159	For the AGM held on 24/07/2009	20/08/2009	YES	N. A.
2.	Balance Sheet	220	As on 31/03/2009.	20/08/2009	YES	N. A.
3.	Secretarial Compliance Certificate	383A	For the year ended 31/03/2009	20/08/2009	YES	N. A.
4.	Form 2 & 3	75(1)	Allotment made otherwise than cash on 31/03/2009	24/06/2009	No	Yes
5.	Form 23	192	Alteration of Articles of Association at the EGM held on 28/02/2009.	25/03/2009	Yes	N. A.
6.	Form 5	94A(2)	For increasing the authorized share capital from 100,00,000 to 22,00,00,000.	26/03/2009	Yes	N. A.

AUDITOR'S REPORT TO THE MEMBERS OF CHAMPDANY CONSTRUCTIONS LIMITED.

1. We have audited the attached Balance Sheet of **Champdany Constructions Limited**, as at 31st. March, 2010 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that : -
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;
 - iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 ;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For Mookerjee Banerjee & Co.,
Chartered Accountants,
Sanjoy Ghosh
Partner
M. No. 54748

Place : Kolkata
Date : 21st May, 2010

ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF CHAMPDANY CONSTRUCTIONS LIMITED.

(Referred to in paragraph 3 of our Report of even date attached)

1. (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
(c) In our opinion, the Company has not disposed of a substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2. According to information and explanations provided to us, the Company does not hold any stock.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly the paragraphs 4(iii)(b), 4(iii)(c), 4(iii)(d), 4(iii)(e), 4(iii)(f), and 4(iii)(g), of the Order, are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any major weakness in internal controls.
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(v)(b) of the Order is not applicable.
6. The Company has not accepted any deposits from the public.
7. In our opinion and in accordance with the information and explanations given to us, there has no formal internal audit system but internal control is exercised departmentally, which is commensurate with the size of the Company and the nature of its business.
8. The provisions relating to clause 4(viii) of the Companies (Auditor's Report) Order, 2003 relating to maintenance of cost records as per clause (d) of sub section (1) of section 209 of the Act are not applicable to the Company.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income tax, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed dues, as above which were outstanding for more than six months as at 31st March, 2010.
10. The Company has no accumulated losses as at 31st March, 2010 and has incurred no cash losses during the financial year ended on that date.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit / fund / societies are not applicable to the Company.
14. In our opinion, and on the basis of our examination of the records, proper records have been maintained of the transactions and contracts related to shares, securities and other investments held by the Company. We also report that the shares, securities and other investments are held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to information and explanations given to us, the Company has not availed of any term loans during the year and did not have any outstanding loan at the beginning of the year.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to information and explanations given to us, there are no funds raised on short term basis which has been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
19. As the Company has no debentures outstanding at time during the year, the clause is not applicable to the Company.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Mookerjee Banerjee & Co.,
Chartered Accountants,
Sanjoy Ghosh
Partner
M. No. 54748

Place : Kolkata
Date : 21st May, 2010

BALANCE SHEET AS AT 31ST. MARCH, 2010**Champdany Constructions Limited**

(Rupees)

	Schedule	As at 31st. March, 2010	As at 31st. March, 2009
SOURCE OF FUNDS			
SHAREHOLDERS' FUNDS.			
SHARE CAPITAL	"A"	81,019,590	81,019,590
RESERVE & SURPLUS			
Profit & Loss Account		1,898,201	-
UNSECURED LOANS	"B"	<u>1,203,000</u>	<u>1,050,000</u>
Total		<u>84,120,791</u>	<u>82,069,590</u>
APPLICATION OF FUNDS			
FIXED ASSETS	"C"	84,637,949	82,759,722
INVESTMENTS	"D"	195,000	220,000
CURRENT ASSETS, LOANS & ADVANCES	"E"	689,617	161,377
Less: CURRENT LIABILITIES & PROVISIONS	"F"	<u>2,346,775</u>	<u>2,319,170</u>
Net Current Assets		(1,657,158)	(2,157,793)
MISCELLANEOUS EXPENDITURE : Other Item			
(Expenditure incurred for Authorised capital increase)		1,050,000	1,050,000
Less : Written off		<u>105,000</u>	<u>-</u>
PROFIT & LOSS ACCOUNT		<u>-</u>	<u>197,661</u>
Total		<u>84,120,791</u>	<u>82,069,590</u>

Significant Accounting Policies & Notes to the Accounts "G"

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

This is the Balance Sheet referred to in our Report of even date,

For Mookerjee Banerjee & Co.,
Chartered Accountants,
Sanjoy Ghosh
Partner
M. No. 54748

On behalf of the Board
J. Pujara
M.K.Roy } Directors

Place : Kolkata
Date : 21st May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Rupees)

	Year ended 31.03.2010	Year ended 31.03.2009
INCOME		
Consultancy Fees -	-	18,000
Licence Fees - (TDS Rs. 99,000/-)	990,000	-
Rent received - (TDS Rs. 4,39,595/-)	<u>4,234,650</u>	<u>-</u>
	<u>5,224,650</u>	<u>18,000</u>
EXPENDITURE		
Audit Fees	3,309	1,103
Advertisement	10,180	-
Conveyance	1,155	-
Director's Fees	3,750	3,750
Electricity Charges	331,360	-
Security Service Charges	653,797	-
Professional Service Charges	33,445	5,124
Filing Fees	4,560	1,500
Insurance Premium	24,812	-
Legal Expenses	42,000	-
Professional Tax	2,500	2,500
Miscellaneous Expenditure	12,743	300
Municipal & Corporation Tax	388,699	-
Rent	1,200	1,200
Printing & Stationery	1,029	-
Bank Charges	472	-
Trade Licence	33,150	-
Telephone Charges	10,439	-
Filing Fees to the extent written off	105,000	-
Depreciation (as per schedule C)	<u>415,188</u>	<u>-</u>
	<u>2,078,788</u>	<u>15,477</u>
Profit / (Loss) for the year	<u>3,145,862</u>	<u>2,523</u>
Less : Provision for Taxation	<u>1,050,000</u>	<u>-</u>
	<u>2,095,862</u>	<u>2,523</u>
Add : Debit balance brought forwards from Previous year	(197,661)	(200,184)
Balance carried to Balance Sheet	1,898,201	(197,661)

This is the Profit & Loss Accounts referred to in our Report of even date.

For Mookerjee Banerjee & Co.,
Chartered Accountants,
Sanjoy Ghosh
Partner
M. No. 54748

On behalf of the Board
J. Pujara
M.K.Roy } Directors

Place : Kolkata
Date : 21st May, 2010

	Schedule A	As at 31st. March,2010	As at 31st. March,2009
--	---------------	------------------------	------------------------

SHARE CAPITAL**AUTHORISED**

2,20,00,000 Equity shares of Rs. 10/- each

220,000,000

220,000,000

ISSUED, SUBSCRIBED AND PAID UP

81,01,959 Equity Shares of Rs. 10/- each fully paid up

81,019,590

81,019,590

All the shares are held by the holding company AI Champdany Industries Ltd and out of the same 80,51,879 equity shares have been allotted as fully paid up being the consideration for transfer of Rampur Texpro Unit of Holding company AI Champdany Industries Ltd duly approved by the shareholders, without payment received in cash.

UNSECURED LOANS**B**

Advance in nature of Interest free Loan from its Holding Company, AI Champdany Industries Ltd.

1,203,000

1,050,000

FIXED ASSETS**C**

Particulars	Balance as on 01.04.2009	Additions	Deduction	Total as on 31.03.2010	Dep. for the year	Balance As on 31.03.2010	Balance As on 31.03.2009
Land	58,128,400	-	-	58,128,400	-	58,128,400	58,128,400
Building	24,631,322	2,293,415	-	26,924,737	415,188	26,509,549	24,631,322
	82,759,722	2,293,415	-	85,053,137	415,188	84,637,949	82,759,722

Schedule

As at 31st. March,2010

As at 31st. March,2009

INVESTMENTS (UNQUOTED)**D**

Coochbehar Industries (India) Pvt. Ltd. Nil (2500) Equity Shares of Rs 10/- each

-

25,000

National Electronics Pvt. Ltd. 250 (250) Equity Shares of Rs 100/- each

25,000

25,000

Eastern Services Pvt. Ltd. 2500 (2500) Equity Shares of Rs 10/- each

25,000

25,000

Circus Avenue Properties Pvt. Ltd. 2500 (2500) Equity Shares of Rs 10/- each

25,000

25,000

Libra Transport Ltd. 200 (200) Equity Shares of Rs 100/- each

20,000

20,000

Coopers Capital Markets Ltd. 1000 (1000) Equity Shares of Rs 100/- each

100,000

100,000

195,000

220,000

CURRENT ASSETS & LOANS & ADVANCES**E****A. CURRENT ASSETS CASH & BANK BALANCES**

Cash-in-hand (as certified by Management)

4,639

130

Cash at Bank in Current Account

27,233

31,872

52,972

53,102

B. LOANS & ADVANCES:

Receivable

-

18,000

Advance

43,615

15,000

Deposits

69,493

69,493

Recoverable

2,692

2,692

Tax Deducted at Source

541,945

657,745

3,090

108,275

689,617

161,377

CURRENT LIABILITIES & PROVISIONS**F****A. CURRENT LIABILITIES :-**

Sundry Creditors for Expenses -

1,018,268

625,310

Security Deposits -

-

1,693,860

Temporary Bank OD Balance -

275,507

-

Tax Deducted at Source Payable -

3,000

1,296,775

-

-2,319,170

B. PROVISIONS :

Provision for Taxation

1,050,000

-

2,346,775

2,319,170

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(A) System of Accounting:

The Company prepares its financial statements on accrual basis and in accordance with generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 1956.

(B) Fixed Assets : Depreciation have been charged on building on straight line method.

(C) Investments : Investments are stated at cost. Suitable provisions are considered for permanent diminution in value whenever required.

2 NOTES TO ACCOUNTS

(A) Related party Disclosures:

Holding Company – A IChampdany Industries Limited

(B) There are no joint ventures of the company.

(C) Earnings per share:

	For the year ended 31st, March, 2010	For the year ended 31st, March, 2009
Profit after Taxation/(Loss)	20,95,862	2,523
Weighted average number of equity shares outstanding-	81,01,959	72,140
Basic and diluted earnings per Share in rupees (Face Value Rs 10/- per share)	0.26	0.03

(D) Deferred Tax has not been considered as income of the Company consists only "Income from House Property".

(E) Previous years figures have been rearranged/regrouped wherever considered necessary.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

	As at 31st. March 2010	As at 31st. March 2009
A. Cash Flow from Operating Activities		
Net Profit before tax / (Loss)	3,145,862	2,523
Adjustment for :		
Miscellaneous Expenditure Written off	105,000	-
Depreciation	415,188	-
Operating Profit/(Loss) before Working Capital changes	3,666,050	2,523
Adjustment for changes in Working Capital :-		
Decrease in Receivable	18,000	8,910
Decrease / (Increase) in Advance	(28,615)	24,500
(Increase) in TDS	(538,855)	-
Increase in current liabilities	392,958	1,929
(Decrease) in Secutity Deposit	(1,693,860)	-
Increase in TDS payable	3,000	-
Net Cash Flow from Operating Activities	1,818,678	37,862
B. Cash Flow from Investing Activities		
Proeecds for sale of Investment	25,000	-
Purchase of Fixed Assets	(2,293,415)	-
C. Cash Flow from Financing Activities		
Loan Received	153,000	-
Net increase/(decrease) in cash and cash equivalents	(296,737)	37,862
Cash and Cash equivalent at the beginning of the period	53,102	15,240
Cash and Cash equivalent at the end of the period	(243,635)	53,102

This is Cash Flow Statement referred to in our Report of even date.

For Mookerjee Banerjee & Co.,

Chartered Accountants,

Sanjoy Ghosh

Partner

M. No. 54748

On behalf of the Board

J. Pujara }
M.K.Roy } Directors

Place : Kolkata

Date : 21st May, 2010

Balance Sheet Abstract and Company's General Business Profile **Champdany Constructions Limited**

(Statement pursuant to part IV of the schedule VI of the Companies Act, 1956)

- I. Registration Details : CIN : U17232WB1993PLC061248 State Code : 21 Balance Sheet Date : 31.03.10
- II. Capital raised during the year (Rupees in Thousand)
Public Issue : Nil Rights Issue : Nil Bonus Issue : Nil Private Placement : Nil
- III. Position of Mobilisation and Deployment of Funds (Rupees in Thousand)
- | | | | |
|-------------------------|-------|----------------------------|--------|
| Total Liabilities | 84121 | Total Assets | 84121 |
| <u>Sources of Funds</u> | | <u>Application of Fund</u> | |
| Paid up Capital | 81020 | Net Fixed Assets | 84638 |
| Reserve & Surplus | 1898 | Investments | 195 |
| Secured Loans | Nil | Net Current Assets | (1657) |
| Unsecured Loans | 1203 | Miscellaneous Expenditure | 945 |
- IV. Performance of the company (Rupees in Thousand)
- | | | | |
|--------------------------|------|-------------------------|------|
| Turnover | 5225 | Total Expenditure | 2079 |
| Profit/(Loss) Before Tax | 3146 | Profit/(Loss) After Tax | 2096 |
| Earning per Share | 0.26 | Dividend Rate (%) | Nil |
- V. Generic Names of three Principal Products of company (As per Monetary Terms) : Not applicable

On behalf of the Board

J. Pujara }
M.K.Roy } Directors

Place : Kolkata

Date : 21st May 2010**AIC PROPERTIES LIMITED****DIRECTORS' REPORT**

Dear members,

Your directors are pleased to present the 1st Annual Report of the Company together with the Audited Financial Statements for the financial period ended March 31, 2010.

Summarised Financial Results Period from 12-11-09 to 31-03-10 (Rupees)

Income	10,780
Profit before Interest, Depreciation and Tax	2,047
Less: Interest & Depreciation	-
Profit before Tax	2,047
Provision for Income Tax	650
Profit after Tax	1,397
Balance carried to Balance Sheet	1,397

Review of Operations

The activities of the Company haven't been started yet. The unutilized fund has been provided as temporary advance to Holding Company charging thereon interest @ 10% per annum.

Dividend

In view of no operations as such your directors do not recommend any dividend.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jayant Pujara, Director, retire by rotation at the 1st Annual General Meeting and being eligible has offered himself for re-appointment.

Particulars of Employees

During the period under review the Company has no employee. As such no question of falling within the purview of Section 217(2A) of the Companies Act, 1956.

Directors' Responsibility Statement

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- in the preparation of annual accounts, the applicable accounting standard have been followed alongwith proper explanation relating to material departures;
- 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 period March 31, 2010 and of the profit of the Company for financial period from November 12, 2009 to March 31, 2010;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the Annual Accounts on a going concern basis.

Legal Matter

The Company has been impleaded in two petitions filed by Blancatex AG and Aldagate International SA, against AI Champdany Industries Ltd., the parent company of the Company before the Company Law Board. The Said two separate petitions under section 397 and 398 of the Companies Act, 1956 amongst other things, have challenged the proposed transfer of Shalimar Unit by AI Champdany Industries Ltd. to the Company. In view of the said challenge the Company Law Board vide its order dated 12.01.2010 has restrained AI Champdany Industries Ltd from giving effect to the postal resolution by which consent of its Shareholders for transfer to the Company was sought.

The Company has strongly contested its impleadment in the proceedings as the petitioners are not Shareholders of the Company and challenge is without any merit, as the Shareholders of the AI Champdany Industries Ltd., as per the information available with the Company, have already approved the proposed transfer.

Conservation of Energy, Research and Development, Technology Absorption etc.

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the Company's operation has not been started yet and do not involve any substantial consumption of energy. Also R&D, Technology Absorption etc is not applicable at this stage.

There is no foreign exchange earning or outgo during the financial period under review.

Auditors

M/s. Ray Moulik & Co., Chartered Accountants, auditors of the Company will retire at the conclusion of the ensuing annual general meeting. The Company has received a certificate from the auditors to the effect that their re-appointment if made, by the Company at the ensuing annual general meeting would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommends their re-appointment.

Listing

The equity shares of the Company is not listed in any of the Stock Exchanges.

Acknowledgement

Your Directors convey their sincere gratitude to the members, creditors, government and statutory authorities, banks for the continued support to the Company

Place: Kolkata

Date : May 14, 2010

For and on behalf of the Board

J. Pujara
M. K. Roy } Directors

AUDITOR'S REPORT TO THE MEMBERS OF AIC PROPERTIES LIMITED

REFERRED TO IN OUR REPORT OF EVEN DATE

1. We have audited the attached Balance Sheet of **AIC Properties Limited** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the period ended annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit ;
 - ii) In our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of those books ;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this

Report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;

- v) On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2010, from being appointed as a Director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting Principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit and Loss Account, of the Profit for the period ended on that date; and
 - (c) in the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

For Ray Moulik & Co.
Chartered Accountants

H. S. Ghosh

Proprietor

Membership No. 5886

Dated: Kolkata; the 14th day of May, 2010

**ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF AIC PROPERTIES LIMITED
REFERRED TO IN OUR REPORT OF EVEN DATE**

1. The Company does not own any fixed assets ;
2. The Company does not have any inventory during the period ;
3. The Company has neither granted nor taken any loans, secured or unsecured to/from Companies, Firms or other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956 ;
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business ;
5. According to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 ;
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under ;
7. Maintenance of cost records has not been prescribed by the Central Government ;
8. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues which were outstanding at the period end for a period of more than six months from the date they became payable ;
9. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities ;
10. The Provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Benefit / Fund / Societies are not applicable to this Company ;
11. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments ;
12. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions ;
13. The Company has not raised any short term loan during the period ended March 31, 2010 ;
14. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 ;
15. The Company has not issued any debentures that were outstanding at any time during the period ;
16. The Company has not raised any money by public issue during the period ;
17. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit ;
18. Other paragraphs of the Order are not applicable to the Company.

For Ray Moulik & Co.
Chartered Accountants

H. S. Ghosh

Proprietor

Membership No. 5886

Dated: Kolkata; the 14th day of May, 2010

BALANCE SHEET AS AT 31ST MARCH, 2010**AIC Properties Limited**

	<u>Schedule</u>		(Rupees) <u>As at 31.03.2010</u>
<u>SOURCES OF FUNDS</u>			
SHAREHOLDERS' FUNDS			
Share Capital	1	500,000	
Reserves & Surplus	2	<u>1,397</u>	<u>501,397</u>
			<u>501,397</u>
<u>APPLICATION OF FUNDS:</u>			
CURRENT ASSETS, LOANS & ADVANCES			
Cash and Bank Balances	4	11,473	
Other Current Assets	5	9,702	
Loans and Advances	6	<u>301,078</u>	
		<u>322,253</u>	
Less: CURRENT LIABILITIES & PROVISIONS			
(a) Current Liabilities	3A	1,663	
(b) Provisions	3B	<u>650</u>	
		<u>2,313</u>	
NET CURRENT ASSETS			319,940
MISCELLANEOUS EXPENDITURE:	7		181,457
<i>(To the extent not written off / adjusted)</i>			<u>501,397</u>
Notes to Accounts & Accounting Policies	10		

The Schedules referred to above form an integral part of the Accounts.
This is the Balance Sheet referred to in our Report of even date.

For Ray Moulik & Co.
Chartered Accountants
H. S. Ghosh
Proprietor
Membership No.5886
Dated: Kolkata, the 14th day of May, 2010

For and on behalf of the Board
J. Pujara }
M. K. Roy } Directors

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010

(Rupees)

	<u>Schedule</u>	<u>For the period from 12-11-2009 to 31-03-2010</u>	
<u>INCOME</u>			
Other Income	8		10,780
<u>EXPENDITURE</u>			
Administration Expenses	9	1663	
Preliminary Expenses (<i>Written Off</i>)		<u>7070</u>	<u>8,733</u>
Profit Before Tax			<u>2,047</u>
Provision for Taxation			<u>650</u>
Profit After Tax			<u>1,397</u>
Balance Carried Forward			1,397

The Schedules referred to above form an integral part of the Accounts.
This is the Profit & Loss Account referred to in our Report of even date.

For Ray Moulik & Co.
Chartered Accountants
H. S. Ghosh
Proprietor
Membership No.5886
Dated: Kolkata, the 14th day of May, 2010

For and on behalf of the Board
J. Pujara }
M. K. Roy } Directors

As at 31-03-2010

1	SHARE CAPITAL		
	AUTHORISED:		
	5,00,000 Equity Shares of Rs.10/- each		<u>50,00,000</u>
	ISSUED, SUBSCRIBED & PAID UP		
	50,000 Equity Shares of Rs.10/- each		<u>5,00,000</u>
NOTE: All the Ordinary Shares are held by the Holding Company AI Champdany Industries & its nominees.			
2	RESERVES AND SURPLUS		
	Revenue Reserve : Surplus as per Profit and Loss Account		<u>1,397</u>
3	CURRENT LIABILITIES & PROVISIONS:		
	A. CURRENT LIABILITIES		
	Sundry Creditors -		
	Audit Fees	1103	
	Certificates & Other Services	500	
	Legal Expenses	60	1,663
	B. PROVISIONS:		
	For Taxation : Current Income Tax		<u>650</u>
			<u>2,313</u>
4	CASH AND BANK BALANCES:		
	With Scheduled Banks : On Current Account		<u>11,473</u>
5	OTHER CURRENT ASSETS:		
	Other Interest Receivable		<u>9702</u>
6	LOANS AND ADVANCES:		
	(Unsecured, Considered Good unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received		300,000
	Tax Deducted At Source - Receivable		1,078
			<u>301,078</u>
7	MISCELLANEOUS EXPENDITURE:		
	Preliminary Expenses	188,527	
	Less: Written off	7,070	181,457

Annexed to and forming part of the Profit and Loss Account for the period from 12-11-2009 to 31-03-2010

8	OTHER INCOME		
	Interest : [Tax deducted at source Rs.1,078/-]		<u>10,780</u>
9	ADMINISTRATION EXPENSES		
	Audit Fees		1,103
	Certificates & Other Services		500
	Legal Expenses		60
			<u>1,663</u>

10. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED ON THAT DATE

A Significant Accounting Policies

1 Basis of Accounting

The financial statements are prepared under historical cost convention on an accrual and comply with the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006.

2 Revenue Recognition

Interest income is recognised on the time proportion basis.

- 3 Taxation **AIC Properties Limited**
The provision for Income Tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income Tax Act, 1961.
- 4 Miscellaneous Expenditure
Preliminary Expenses would be amortized in equal proportions over a period of ten years.

B Notes to Accounts:

- 1 The Company has no employee. As such there has been no question of any one drawing remuneration requiring disclosure under section 217(2A) of the Companies Act, 1956.
- 2 There being no depreciable asset owned and/or held by the Company, the question of differential tax liability and/or differential tax asset does not arise in this year.
- 3 Since the Company has not conducted any business during the Period, Accounting Standard - 17 for Segment Reporting is not applicable.

For the period
from 12-11-2009 to 31-03-2010

- 4 Advances recoverable in cash or for value to be received includes: (Rs.)

Amount recoverable from Holding Company 3,00,000

- 5 Auditors' Remuneration (including Service Tax) 1,103

- 6 Related party Disclosure:

(a) Parties where control exists:
Holding Company - AI Champdany Industries Limited

(b) Other related parties with whom transaction have taken place during the period: NIL

(c) Transactions during the year:
Nature of Transaction March 31, 2010
(Rs.)

Transaction with the Holding Company during the period:

Interest on Advances Receivable 10,780
Advances Provided on Interest @ 10% pa. 3,30,000
Advances Refunded (30,000)

(d) Outstanding as on March 31, 2010: March 31, 2010
(Rs.)

Receivable from Holding Company 3,00,000

- 7 There are no joint ventures of the company.
- 8 Since this is the first year of the Company coming into existence, previous year's figures do not exist, and accordingly could not be given.

As per our report of even date

Signature to Schedules 1 to 10

For Ray Moulik & Co.
Chartered Accountants
H. S. Ghosh
Proprietor

Membership No. 5886

Dated: Kolkata, the 14th day of May, 2010

For and on behalf of the Board

J. Pujara }
M. K. Roy } Directors

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

For the period from 12-11-2009 to 31-03-2010

A. CASH FLOW FROM OPERATING ACTIVITIES:

Profit Before Tax		2,047
Adjustment for:		
Preliminary Expenditure written off	7,070	
Interest Income	(10,780)	(3,710)
Operating loss before working capital changes		(1663)
Adjustment for:		
(Increase)/Decrease in other Receivable	(9,702)	
(Decrease)/Increase in Trade Payable	1,663	(8,039)
Cash Generated from operations		(9,702)
Less: Direct Taxes Paid		(1,078)
Net Cash from/(Used in) Operating Activities		(10,780)

B. CASH FLOW FROM INVESTING ACTIVITIES:

Interest Received	10,780	
Net Cash from/(used in) Investing Activities		10,780

C. CASH FLOW FROM FINANCING ACTIVITIES:

Proceeds from Share Capital	500,000	
Temporary Advances	(300,000)	
Preliminary Expenses	(188,527)	11,473

D. Net increase in Cash & Cash Equivalent (A+B+C)

		11,473
--	--	--------

E. Cash and Cash equivalent as at the beginning of the period at 12-11-2009

		-
--	--	---

F. Cash and Cash equivalent at 31-03-2010 (D+E)

		11,473
--	--	--------

Notes to Cash Flow Statement for the period ended March 31, 2010Cash and Cash equivalent include:

Cash in hand	-
With Scheduled Bank On Current Account	11,473

Total	11,473
-------------	--------

As per our report of even date

For Ray Moulik & Co.

Chartered Accountants

H. S. Ghosh

Proprietor

Membership No.5886

Dated: Kolkata, the 14th day of May, 2010

For and on behalf of the Board

J. Pujara	} Directors
M. K. Roy	

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(as required under part IV of the schedule VI of the Companies Act, 1956)

I Registration Details CIN: U70109WB2009PLC139326 State Code : 21 Balance Sheet Date : 31-03-2010**II Capital raised during the year (Rupees in Thousand)**

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

III Position of Mobilisation and Deployment of Funds (Rupees in Thousand)

Total Liabilities	501	Total Assets	501
<u>Sources of Funds</u>		<u>Application of Fund</u>	
Paid up Capital	500	Net Fixed Assets	Nil
Reserve & Surplus	1	Investments	Nil
Secured Loans	Nil	Net Current Assets	320
Unsecured Loans	Nil	Misc. Expenditure	181

IV Performance of the company (Rupees in Thousand)

Turnover	10	Total Expenditure	8
Profit/(Loss) Before Tax	2	Profit/(Loss) After Tax	1
Earning per Share (Rs.)	0.03	Dividend Rate (%)	Nil

V Generic Names of three Principal Products of company (As per Monetary Terms) Not applicable

For and on behalf of the Board

J. Pujara	} Directors
M. K. Roy	

Place : Kolkata

Dated : 14th day of May, 2010

WEST BENGAL MULTIFIBER JUTE PARK LIMITED
DIRECTORS' REPORT

Dear members,

Your directors are pleased to present the 2nd Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2010.

Summarised Financial Results

For the year ended 31-03-10

(Rupees)

Profit / (Loss) before Interest, Depreciation and Tax	(86,215)
Less: Interest, Depreciation, Tax	-
Profit / (Loss) after Tax	(86,215)
Profit / (Loss) brought forward from previous year	(5,150)
Net Accumulated Profit / (Loss) Carried to Balance Sheet	(91,365)

Review of Operations

The activities of the Company have not been started yet. The Company is implementing the project under the guideline of Scheme for Integrated Textile Park / Jute Technology Mission of Ministry of Textile Government of India and the project has been approved by National Jute Board for its further progress.

Dividend

In view of no operations as such your directors do not recommend any dividend.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Nirmal Girdharlal Pujara, Director, retire by rotation at the 2nd Annual General Meeting and being eligible has offered himself for re-appointment.

Particulars of Employees

During the period under review the Company has no employee. As such no question of falling within the purview of Section 217(2A) of the Companies Act, 1956.

Directors' Responsibility Statement

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (a) in the preparation of annual accounts, the applicable accounting standard have been followed alongwith proper explanation relating to material departures;
- (b) 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 ended March 31, 2010 and of the loss of the Company for that financial year;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the Annual Accounts on a going concern basis.

Conservation of Energy, Research and Development, Technology Absorption etc.

Since the activities of the Company have been restricted merely to completing the Jute Technology Mission of Ministry of Textile, Government of India. (JTM projects), there is nothing significant to be mentioned under this head. There is no foreign exchange earning or outgo during the financial period under review.

Auditors

M/s. Agasti & Associates, Chartered Accountants, statutory auditors of the Company will retire at the conclusion of the ensuing annual general meeting. The Company has received a certificate from the auditors to the effect that their re-appointment if made, by the Company at the ensuing annual general meeting would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Board of Directors recommends their re-appointment.

Listing

The equity shares of the Company are not listed in any of the Stock Exchanges.

Acknowledgement

Your Directors convey their sincere gratitude to the members, creditors, government and statutory authorities, banks for the continued support to the Company

Place: Kolkata
Date : May 20, 2010

For and on behalf of the Board

B. Wadhwa
N. Pujara } Directors

AUDITOR'S REPORT TO THE MEMBERS OF WEST BENGAL MULTIFIBER JUTE PARK LIMITED

1. We have audited the attached Balance Sheet of **West Bengal Multifiber Jute Park Limited** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2010, from being appointed as a Director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting Principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the Cash Flows for the Year ended on that date.

Dated: Kolkata;
the 20th day of May, 2010

For Agasti & Associates
Chartered Accountants
Mrityunjoy Bandyopadhyay
Partner
Membership No. 050968

ANNEXURE TO THE AUDITOR'S REPORT TO THE MEMBERS OF WEST BENGAL MULTIFIBER JUTE PARK LIMITED, REFERRED TO IN OUR REPORT OF EVEN DATE

1. The Company does not own any fixed assets ;
2. The Company does not have any inventory during the year ;
3. The Company has neither granted nor taken any loans, secured or unsecured to/from Companies, Firms or other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956 ;
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business ;
5. According to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 ;
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under ;
7. Maintenance of cost records has not been prescribed by the Central Government ;
8. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable ;
9. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities ;
10. The Provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Benefit / Fund / Societies are not applicable to this Company ;
11. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments ;
12. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions ;
13. The Company has not raised any short term loan during the year ended March 31, 2010 ;
14. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 ;
15. The Company has not issued any debentures that were outstanding at any time during the year ;
16. The Company has not raised any money by public issue during the year ;
17. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit ;
18. Other paragraphs of the Order are not applicable to the Company.

Dated: Kolkata;
the 20th day of May, 2010

For Agasti & Associates
Chartered Accountants
Mrityunjoy Bandyopadhyay
Partner
Membership No. 050968

BALANCE SHEET AS AT 31ST MARCH, 2010**West Bengal Multifiber Jute Park Limited**

(Rupees)

	<u>Schedule</u>	<u>As at 31-03-2010</u>	<u>As at 31-03-2009</u>
SOURCES OF FUNDS:			
SHAREHOLDERS' FUNDS:			
Share Capital	1	500,000	500,000
APPLICATION OF FUNDS:			
CURRENT ASSETS, LOANS & ADVANCES:			
Cash at Bank in Current Account with Scheduled Bank	25,030		37,000
Less: CURRENT LIABILITIES & PROVISIONS:			
Current Liabilities	2	302,566	304,562
NET CURRENT ASSETS		(277,536)	(267,562)
MISCELLANEOUS EXPENDITURE:			
(To the extent not written off / adjusted)	3	686,171	762,412
Profit and Loss Account - Debit Balance		91,365	5,150
		500,000	500,000
Notes to Accounts & Accounting Policies	5		

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

This is the Balance Sheet referred to in our Report of even date..

For Agasti & Associates

Chartered Accountants

Mrityunjoy Bandyopadhyay

Partner

Membership No. 050968

Dated: Kolkata, the 20th day of May, 2010

For and on behalf of the Board

B. Wadhwa
N. Pujara } Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rupees)

	<u>Schedule</u>	<u>For the year ended 31-03-2010</u>	<u>For the period from 28-07-2008 to 31-03-2009</u>
INCOME			
EXPENDITURE			
Administration Expenses	4	9,974	5,150
Preliminary Expenses		76,241	-
		86,215	5,150
Profit/(Loss) Before Taxation		(86,215)	(5,150)
Debit Balance brought forward from previous year		(5,150)	-
Balance carried to Balance Sheet		(91,365)	(5,150)
Notes to Accounts & Accounting Policies	5		

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

This is the Profit & Loss Account referred to in our Report of even date.

For Agasti & Associates

Chartered Accountants

Mrityunjoy Bandyopadhyay

Partner

Membership No. 050968

Dated: Kolkata, the 20th day of May, 2010

For and on behalf of the Board

B. Wadhwa
N. Pujara } Directors

Schedule Annexed to and forming part of the Accounts

West Bengal Multifiber Jute Park Limited
(Rupees)

	Schedule	As at 31-03-2010	As at 31-03-2009
<u>SHARE CAPITAL</u>	1		
<u>AUTHORISED:</u>			
5,00,000 Equity Shares of Rs.10/- each		50,00,000	50,00,000
<u>ISSUED, SUBSCRIBED & PAID UP</u>			
50,000 Equity Shares of Rs.10/- each		5,00,000	5,00,000
<u>CURRENT LIABILITIES & PROVISIONS:</u>	2		
<u>CURRENT LIABILITIES</u>			
Sundry Creditors -			
Audit Fees		1,654	1,654
Certificates & Other Services		-	2,758
Legal Expenses		-	66
Rent		-	672
Advances from Holding Company - AI Champdany Industries Ltd.		300,912	299,412
		302,566	304,562
<u>MISCELLANEOUS EXPENDITURE:</u>	3		
Preliminary Expenses		144,432	144,432
Project Report Preparation Expenses		617,980	617,980
		762,412	762,412
Less: Written Off		76,241	-
		686,171	762,412
<u>ADMINISTRATION EXPENSES</u>	4	For the year ended 31-03-2010	For the period from 28-07-2008 to 31-03-2009
Audit Fees		1654	1,654
Certificates & Other Services		-	2,758
Legal Expenses		7000	66
Rent		1320	672
		9974	5,150

Schedule - 5 Notes to Accounts and Accounting Policies annexed to and forming part of Accounts for the Year ended 31st March, 2010.

1. Accounting Policies: (a) Method of Accounting : The company maintains its accounts under the historical cost convention on an accrual basis, and complies in all aspects, with generally accepted accounting principles in India read with the relevant provisions of the Companies Act, 1956. (b) Fixed Assets : The Company does not have any Fixed Assets, However, Fixed Assets in future, would be stated at the Cost of Acquisition less Depreciation, determined on a written down value basis, at rates not less than those prescribed under the Companies Act, 1956. (c) Depreciation : The company does not own or hold any depreciable assets. However, in future, Depreciation would be calculated in the manner prescribed in Schedule XIV to the Companies Act, 1956. (d) Investments : Investments of long term nature would be stated at cost less permanent diminution in value, if any. Current Investments would be stated at lower of cost or net realizable value. (e) Provision of Retirement Benefits : There being no employee during the relevant accounting year, the Payment of Gratuity Act, 1972 does not apply. Gratuity, as and when applicable, will be accounted for on accrual basis. (f) Revenue : Income is recognized on accrual basis, except where mentioned otherwise. (g) Miscellaneous Expenditure: i) Preliminary Expenses would be amortized in equal proportions over a period of ten years; ii) Project Report Preparation Expenses would be amortized in equal proportions over a period of ten years.

2. Notes to Accounts : (a) The Company has no employee. As such there has been no question of any one drawing remuneration requiring disclosure under section 217(2A) of the Companies Act, 1956. (b) There being no depreciable asset owned and/or held by the Company, the question of differential tax liability and/or differential tax asset does not arise in this year. (c) Since the Company has not conducted any business during the Period, Accounting Standard - 17 for Segment Reporting is not applicable; (d) Previous period's figures have been rearranged/regrouped wherever considered necessary. (e) Balance Sheet Abstract and Company's General Business Profile are given in the separate sheet attached.

As per our report of even date

Signature to Schedules 1 to 5

For Agasti & Associates
Chartered Accountants
Mrityunjay Bandyopadhyay
Partner
Membership No. 050968
Dated: Kolkata, the 20th day of May, 2010

For and on behalf of the Board

B. Wadhwa }
N. Pujara } Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2010**West Bengal Multifiber Jute Park Limited**

(Rupees)

For the
Year Ended
31-03-2010For the period
from 28-07-2008
to 31-03-2009**A. CASH FLOW FROM OPERATING ACTIVITIES:**

Net Profit/(Loss) Before Tax (86,215) (5,150)

Adjustment for:

Preliminary Expenses written off 76,241 (9,974) -

Increase/(Decrease) in Current Liabilities & Provisions (1,996) 304,562

B. CASH FLOW FROM INVESTING ACTIVITIES:

- -

C. CASH FLOW FROM FINANCING ACTIVITIES:

Proceeds from Share Capital - 500,000

Preliminary Expenses - (762,412)

Net increase in Cash & Cash Equivalent (11,970) 37,000

Add: Cash and Cash equivalent as at the beginning of the year 37,000 -

Cash and Cash equivalent at end of the year 25,030 37,000

Cash and Cash equivalent as at end of the year includes

Cash in hand - -

Balance with Scheduled Banks

- Current Account 25,030 37,000

25,030 37,000

This is the Cash Flow Statement referred to in our Report of even date.

For Agasti & Associates
Chartered Accountants
Mrityunjay Bandyopadhyay
Partner

Membership No. 050968

Dated: Kolkata, the 20th day of May, 2010

For and on behalf of the Board

B. Wadhwa }
N. Pujara } Directors**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(as required under part IV of the schedule VI of the Companies Act, 1956)

I Registration Details

CIN: U17125WB2008PLC127928 State Code : 21 Balance Sheet Date : 31-03-2010

II Capital raised during the year (Rupees in Thousand)

Public Issue Nil Right Issue Nil

Bonus Issue Nil Private Placement Nil

III Position of Mobilisation and Deployment of Funds (Rupees in Thousand)

Total Liabilities 500 Total Assets 500

Sources of Funds Application of Fund

Paid up Capital 500 Net Fixed Assets Nil

Reserve & Surplus Nil Investments Nil

Secured Loans Nil Net Current Assets (277)

Unsecured Loans Nil Misc. Expenditure 686

Accumulated Loss 91

IV Performance of the company (Rupees in Thousand)

Turnover Nil Total Expenditure (86)

Profit/(Loss) Before Tax (86) Profit/(Loss) After Tax (86)

Earning per Share Nil Dividend Rate (%) Nil

V Generic Names of three Principal Products of company

Not applicable

(As per Monetary Terms)

For and on behalf of the Board

B. Wadhwa }
N. Pujara } DirectorsDated: Kolkata, the 20th day of May, 2010

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 31st March 2010

- A. We have audited the attached Consolidated Balance Sheet of AI Champdany Industries Limited, and its subsidiary, ("the group") as at 31st March 2010, the Consolidated Profit & Loss Account 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. 25,95,025/- as at 31st March 2010 and total income (net) of Rs.2,02,669/- 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 on Schedule – 17 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 31st March 2010.
- b) In the case of the Consolidated Profit & Loss Account 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 15 in schedule 17*
- ii) *Assessment of losses in respect of stocks of finished goods damaged by fire is pending. Hence we are unable to form an opinion on the adjustments that would be required to be made to the accounts as referred to in notes 16 of schedule 17.*
- iii) *Non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1st April 1997 to 31st March 2007 in respect of one unit of the company, as referred to in Note 17 in Schedule 17; **
- iv) Recognition of remission of taxes by Sales Tax Authority in the accounts, as referred to in Note 18(a) in Schedule 17;*
- 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 18(b) in schedule 17*
- *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, advances, deposits with companies and Sundry Debtors as referred to in notes 18(e) & 18 (f) in schedule 17**.
- vii) *Assets & Liabilities in Bangladesh as at 31st March 2010 could not be verified, as referred to in note 18(g) in Schedule-17. ***

** relates to the subsidiary of erstwhile Anglo-India Jute Mills Company Limited.

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

Place: Kolkata
Date: May 30, 2010

AI CHAMPDANY INDUSTRIES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

Rupees

	Schedule	As at 31 March			
		2009-10		2008-09	
SOURCES OF FUNDS					
Shareholders' Funds :					
Share Capital	1	196,736,765		134,665,000	
Reserves & Surplus	2	845,152,958		899,484,702	
			1,041,889,723		1,034,149,702
Loan Funds :					
Secured loans	3	1,035,351,017		1,086,775,202	
Unsecured Loans	4	31,901,242		31,901,242	
			1,067,252,259		1,118,676,444
			2,109,141,982		2,152,826,146
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block		2,934,958,154		2,828,721,140	
Less : Depreciation		2,009,424,750		1,922,968,517	
Net Block		925,533,404		905,752,623	
Capital Work In Progress		113,892,489		153,628,348	
	5		1,039,425,893		1,059,380,971
Investments	6		91,590,886		91,964,806
Current Assets, Loans and Advances :					
Inventories	7	1,276,888,795		1,067,703,955	
Sundry Debtors	8	80,931,395		223,974,300	
Cash and Bank balances	9	15,305,439		19,409,911	
Loans and Advances	10	265,614,329		334,865,416	
		1,638,739,958		1,645,953,582	
Less : Current Liabilities and Provisions :					
Current Liabilities	11	581,006,679		617,875,589	
Provisions	12	60,996,965		5,408,723	
		642,003,644		623,284,312	
Net Current Assets			996,736,314		1,022,669,270
Deferred Tax Liability			(19,222,328)		(21,618,661)
Miscellaneous Expenditure (to the extent net written off / adjusted)					
Share Issue Expenses			181,457		-
Net Assets in Bangladesh			429,760		429,760
			2,109,141,982		2,152,826,146
Notes to Accounts	17				

In terms of our report of even date attached
D. P. Sen & Co.
Chartered Accountants
S. K. Nayak
Partner
Membership No. 58711
Kolkata, 30th May, 2010

B. K. Chowdhury
Senior General Manager (Accounts) &
Company Secretary

For and On behalf of the Board

B. Wadhwa }
N. Pujara } Directors

Kolkata, 30th May, 2010

AI CHAMPDANY INDUSTRIES LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

Rupees

	Schedule	2009-10		2008-09	
INCOME					
Sales and Related Income	13		2,447,627,524		3,066,033,746
Income from other sources	14		14,202,355		16,599,992
			2,461,829,879		3,082,633,738
EXPENDITURE					
Operating Expenses	15		2,404,100,629		2,884,180,433
(Increase)/Decrease in stocks of finished goods and work-in-process			(102,576,162)		5,914,626
Depreciation	5	86,801,308		98,358,058	
Less : Depreciation on amount added on Revaluation		(9,557,499)		(13,431,169)	
Recoupment from Capital Reserves		(343,058)		(343,058)	
Interest	16		76,900,751		84,583,831
			67,535,479		72,590,824
			2,445,960,697		3,047,269,714
Profit before exceptional items			15,869,182		35,364,024
Exceptional items(Net)			(8,336,451)		(16,540,487)
Profit/(Loss) before Taxation			7,532,731		18,823,537
Provision for taxation					
- Current Tax (Net of MAT Credit)		1,526,650		2,268,500	
- Fringe Benefit Tax		-		1,044,244	
- Deferred Tax (Assets)		(2,396,331)	(869,681)	(16,515,664)	(13,202,920)
Profit/(Loss) after Taxation for the year			8,402,412		32,026,457
Balance brought forward from previous year		44,166,661		47,860,392	
Adjustment on Consolidation		-	44,166,661	83,689	47,944,081
Adjustment relating to earlier years (Taxes)			(52,459,679)		(4,002,154)
Available for Appropriation			109,394		75,968,384
Appropriations					
Proposed Dividend on Preference shares		-		1,540,000	
Tax on Dividend		-		261,723	
Transfer to Capital Redemption Reserve		-		5,000,000	
Transfer to General Reserve		-	-	25,000,000	31,801,723
Balance carried to Balance Sheet			109,394		44,166,661
Earnings per share face value of Rs.5 each (Basic and diluted)			0.29		1.34
Notes to Consolidated Accounts	17				

In terms of our report of even date attached
D. P. Sen & Co.
Chartered Accountants
S. K. Nayak
Partner
Membership No. 58711
Kolkata, 30th May, 2010

B. K. Chowdhury
Senior General Manager (Accounts) &
Company Secretary

For and On behalf of the Board

B. Wadhwa }
N. Pujara } Directors

Kolkata, 30th May, 2010

AI CHAMPDANY INDUSTRIES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2010

Rupees

	2009-10		2008-09
A. Cash flow from Operating activities :			
Profit before Taxation		7,532,731	18,823,537
Add/(Less):- Adjustments for :			
Depreciation	76,900,751		84,583,831
Dividend from Investments	(133,887)		(132,775)
Share Issue Expenses amortised	7,070		-
Interest	67,535,478		72,590,824
Surplus (Net) on disposal of Fixed Assets	(46,944,924)		(13,229,452)
Loss on sale of Investment	-		192,800
Assets Written off	-		20,996
		97,364,488	144,026,224
Operating Profit before Working Capital Changes		104,897,219	162,849,761
Less:- Adjustments for :			
(Increase)/Decrease in Inventories	(209,184,840)		(19,236,136)
(Increase)/Decrease in Trade and Other Receivables	175,844,695		77,727,967
(Decrease)/Increase in Trade Payables	17,548,461		(37,106,870)
		(15,791,684)	21,384,961
Cash Generated from Operations :		89,105,535	184,234,722
Less: Interest Paid	(68,198,883)		(75,348,651)
Direct Taxes paid	(14,326,067)		(33,422,960)
Net Cash from / (used in) Operating Activities		(82,524,950)	(108,771,611)
		6,580,585	75,463,111
B. Cash flow from Investing Activities :			
Purchase of Fixed Assets	(69,944,575)		(173,648,270)
Sale of Fixed Assets	50,043,269		29,070,660
Purchase of Investments	-		(80,968,790)
Sale of Investment	-		5,952,700
Interest Received	470,793		2,237,464
Dividend Received	133,887		132,775
		(19,296,626)	(217,223,461)
C. Cash flow from Financing Activities :			
Proceeds from Share Capital	62,071,765		-
Proceeds from Loans	125,000,000		75,000,000
Repayments of Loans	(116,721,180)		(60,838,825)
Increase / (Decrease) in Bank Borrowings	(59,703,006)		136,558,469
Dividend Paid	(1,583,585)		(7,069,660)
Tax on Dividend	(261,723)		(1,219,094)
Repayment of Preference Shares	(2,130)		(4,470)
Payment to Fractional Shareholders	(45)		-
Preliminary Expenses	(188,527)		-
Net Cash from / (used in) Financing Activities		8,611,569	142,426,420
Net increase / (decrease) in Cash and Cash Equivalents (A-B+C)		(4,104,472)	666,070
Cash and Cash Equivalents as at 1 April 2009		19,409,911	18,759,081
Adjustment on Consolidation		-	15,240
Adjusted Cash and Cash Equivalents as at 1 April 2009		19,409,911	18,743,841
Cash and Cash Equivalents as at 31 March 2010		15,305,439	19,409,911

In terms of our report of even date attached

D.P. Sen & Co.

Chartered Accountants

S. K. Nayak

Partner

Membership No. 58711

Kolkata, 30th May 2010

B.K. Chowdhury

Sr. General Manager (Accounts) &

Company Secretary

For and on behalf of the Board

B. Wadhwa } Directors
N. Pujara }

Kolkata, 30th May 2010

AI CHAMPDANY INDUSTRIES LIMITED
SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

Rupees

SCHEDULE 1	As at 31 March			
	2010		2009	
SHARE CAPITAL				
Authorised				
40,000,000 (60,000,000) Equity shares of Rs. 5 each	200,000,000		300,000,000	
3,000,000 (5,000,000) 7% Cumulative Preference shares of Rs. 10 each	30,000,000		50,000,000	
24,000,000 (Nil) 2% Cumulative Preference shares of Rs 5 each	120,000,000	350,000,000	-	350,000,000
Issued, Subscribed and Paid up				
22,533,000 (22,533,000) Equity shares of Rs.5 each fully paid up *	112,665,000		112,665,000	
2,200,000 (22,00,000) 7% Cumulative Preference Shares of Rs.10 each fully paid up **	22,000,000		22,000,000	
12,414,353 (Nil) Non Convertible 2% Cumulative Preference shares of Rs. 5/- each fully paid up.***	62,071,765	196,736,765	-	134,665,000
		196,736,765		134,665,000
Notes :				
* Out of the above 1,85,002 Equity shares were allotted as fully paid up bonus Shares and 20,250,048 Equity Shares were allotted as fully paid up shares on amalgamation of The Champdany Industries Ltd with the company, 484 shares were cancelled due to cross holding.				
** The Company has allotted 22,00,000 7% Cumulative Preference Shares of Rs. 10/- each on 25.09.04. which are redeemable at par on or before the expiring of twenty years from the date of allotment.				
***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 three years.				
Figure in brackets relate to previous year				
SCHEDULE 2				
RESERVES & SURPLUS				
Capital Reserves				
Opening Balance	4,044,700		4,387,758	
Less: Recoupment of depreciation	(343,058)	3,701,642	(343,058)	4,044,700
Capital Redemption Reserve				
Opening Balance	8,000,000		3,000,000	
Add : Transferred from Profit and Loss Account	-	8,000,000	5,000,000	8,000,000
Investment Fluctuation Reserve		1,654,290		2,028,210
Securities Premium Account		246,400,000		246,400,000
Revaluation Reserve				
Opening Balance	305,226,731		342,936,922	
Less : Amount transferred to Profit & Loss Account				
- Depreciation for the year on amount added on revaluation	(9,557,499)		(13,431,169)	
- Adjustments relating to fixed assets sold/ retired / written off during the year	-	295,669,232	(24,279,022)	305,226,731
General Reserve				
Opening Balance	288,765,947		263,765,947	
Add : Transferred from Profit & Loss Account	-	288,765,947	25,000,000	288,765,947
Deferred Tax Reserve		852,453		852,453
Profit & Loss Account		109,394		44,166,661
		845,152,958		899,484,702

AI CHAMPDANY INDUSTRIES LIMITED
SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

Rupees

SCHEDULE 3	As at 31 March			
	2010		2009	
SECURED LOANS				
From Banks/ Financial Institution				
Cash /Packing/Other Credit Accounts*	630,047,485		658,750,491	
Working Capital Demand Loan*	92,000,000		123,000,000	
Term Loan From Bank**	100,000,000	822,047,485	50,000,000	831,750,491
From Financial Institutions				
Term Loans ***		213,303,532		255,024,711
		1,035,351,017		1,086,775,202

Notes:

* Secured by hypothecation on stocks of raw material, stock -in-process, stores, manufactured goods, book debts, bill, moveable plant & 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.

** Secured by deposit of title deeds of the property owned by other Companies.

*** Secured by first charge on the entire fixed assets of the company, present and future and second pari- passu charge on the entire current assets of the company, present and future.

SCHEDULE 4				
UNSECURED LOANS				
From Bodies Corporate		29,000,000		29,000,000
Interest accrued and due		2,901,242		2,901,242
		31,901,242		31,901,242

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE 5 : FIXED ASSETS

Rupees

	GROSS BLOCK AT COST / VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
Description	As at 1 April 2009	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2010	As at 1 April 2009	For the year	On assets sold/adjusted during the year	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009
Goodwill on consolidation	2,325,000	-	-	2,325,000	-	-	-	-	2,325,000	2,325,000
Freehold Land	244,392,612	18,920,080	3,091,004	260,221,688	-	-	-	-	260,221,688	244,392,612
Leasehold Land	19,734,216	-	-	19,734,216	2,523,915	224,481	-	2,748,396	16,985,820	17,210,301
Buildings	457,332,924	19,596,507	-	476,929,431	309,322,044	14,194,700	-	323,516,744	153,412,687	148,010,880
Plant & Machinery										
- General	1,988,200,771	66,437,761	-	2,054,638,532	1,516,995,439	68,705,071	-	1,585,700,510	468,938,022	471,205,332
- Electrical	80,385,814	2,580,877	-	82,966,691	66,066,166	2,030,818	-	68,096,984	14,869,707	14,319,648
Motor Vehicles	6,907,564	125,000	352,416	6,680,148	6,064,626	275,783	345,075	5,995,334	684,814	842,938
Furniture, Fittings and Office Equipments	26,252,460	2,020,209	-	28,272,669	21,996,327	1,370,455	-	23,366,782	4,905,887	4,256,133
Assets retired from active use	3,189,779	-	-	3,189,779	-	-	-	-	3,189,779	3,189,779
Sub - total	2,828,721,140	109,680,434	3,443,420	2,934,958,154	1,922,968,517	86,801,308	345,075	2,009,424,750	925,533,404	905,752,623
Capital Work-in- Progress				113,892,489					113,892,489	153,628,348
Total				3,048,850,643					1,039,425,893	1,059,380,971
As at 31st March 2009	2,782,022,535	136,355,626	89,657,021	2,982,349,488	1,873,809,438	98,358,058	49,198,979	1,922,968,517	1,059,380,971	

AI CHAMPDANY INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

Rupees

SCHEDULE 6	As at 31 March	
	2010	2009
INVESTMENTS - Long Term		
- Trade (Quoted)		
Woolcombers of India Limited, (In liquidation) 1,63,592 Equity Shares of Rs. 10/- each	1	1
- Other than Trade		
In Government Securities :		
National Savings Certificate (VIII) Issue In fully paid up shares and debentures	4,000	4,000
Quoted:		
Tata Tea Limited.		
465 Equity Shares of Rs.10 each	2,300	2,300
UCO Bank Limited.,		
15,000 Equity Shares of Rs.10 each	449,250	449,250
Oil Country Tubular Limited,		
40,000 Equity Shares of Rs. 10 each	878,000	878,000
Rama Newsprint and Paper Limited.		
10,000 Equity Shares of Rs.10 each	588,000	588,000
Fresenius Kabi Oncology Ltd, (Formerly known as Dabur Pharma Limited)		
12,500 Equity Shares of Re. 1 each	625,000	625,000
Aptech Limited,		
10,300 Equity Shares of Rs. 10 each	366,680	366,680
Oriental Carbon & Chemicals Limited.,		
15 Equity Shares of Rs. 10 each	1,005	1,005
RPG Cables Limited.,		
21 Equity Shares of Rs. 10 each	300	300
Basanti Cotton Mills Limited (Erstwhile)		
10 Equity Shares of Rs.10 each	73	73
	2,910,608	2,910,608
Unquoted:		
Woodlands Hospital & Medical Research Centre Limited,		
165, 1/2% Debentures of Rs.100 each	13,001	13,001
23,000 non- redeemable 5% Regd Debenture Stock 1957	23,000	23,000
Wellington Jute Mills Employees' Consumers' Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	2,500	2,500
Anglo India Employees Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	2,500	2,500
Naffar Chandra Jute Mills Limited.		
50,000 Equity Shares of Rs.10 each	10,000	10,000
Forfar Weavers Limited., U.K.		
76,000 Equity Share of STG pound 1 each	5,133,040	5,506,960
Chitrakoot Investments Limited		
40 ,11% Cumulative Redeemable Preference Shares of Rs.100 each	4,020	4,020
Volga Investments Limited		
58, 170 Equity Shares of Rs. 10 each	581,704	581,704
100, 11% Redeemable Cumulative Preference Shares of Rs.100 each	10,050	10,050
Disciplined Investments Ltd.,		
100 11% Redeemable Cumulative Preference Shares of Rs.100 each	10,050	10,050
Preoption Investments Limited		
120,670 Equity Shares of Rs. 10 each	1,206,452	1,206,452
100 , 11% Redeemable Cumulative Preference Shares of Rs.100 each	10,050	10,050
Champdany Construction Limited		
8101959 Equity Shares of Rs 10 each	81,219,910	81,219,910
West Bengal Multifiber Jute Park Limited		
45000 Equity Shares of Rs 10 each.	450,000	450,000
	88,676,277	89,050,197
	91,590,886	91,964,806

Notes: 1) Aggregate Market Value of the Quoted Shares **Rs.88,61,594**
(31.3.2009 Rs. 35,41,408)
2) Where Quotations are not available, cost has been considered
as the market value.

AI CHAMPDANY INDUSTRIES LIMITED
SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

Rupees

SCHEDULE 7	As at 31 March	
	2010	2009
INVENTORIES		
Stores and Spares	80,288,093	79,814,646
Raw Materials	353,749,952	247,614,721
Work-in-Process	114,297,390	81,079,360
Finished Goods	728,553,360	659,195,228
	1,276,888,795	1,067,703,955
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured		
Debtors over six months		
Considerd good	17,851,691	14,251,273
Considerd doubtful	540,004	54,064,787
	18,391,695	68,316,060
Less: Provision for doubtful debtors	8,594	40,154,525
	18,383,101	28,161,535
Other debtors	62,548,294	195,812,765
	80,931,395	223,974,300
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in hand	465,175	512,754
With Scheduled Banks:		
- in Current Accounts(including cheques in hand)	1,020,876	1,442,517
- In Cash Credit Accounts	13,034,279	5,086,771
- in Unpaid Dividend Accounts	642,940	684,699
- Redemption cum dividend Account	105,112	109,068
- Preference share Account	25,000	25,000
- Mergin Money Deposit	-	15,000
- in Fractional Share Account	12,057	12,102
- Fixed Deposit Account	-	11,522,000
	15,305,439	19,409,911
SCHEDULE 10		
LOANS AND ADVANCES (Unsecured and Considered Good)		
Claims/Amount Receivable	176,072,247	191,433,898
Advances recoverable in cash or in kind or for value to be received	75,152,231	91,615,798
Balances with Customs, Excise, Port Trust etc.	2,473,414	2,508,335
Deposits	11,916,437	12,858,088
Advance payment of Taxes (net Provision for taxation)	-	36,449,297
	265,614,329	334,865,416

AI CHAMPDANY INDUSTRIES LIMITED
SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

Rupees

SCHEDULE 11	As at 31 March			
	2010		2009	
CURRENT LIABILITIES				
Sundry Creditors				
- Dues of SSI Undertakings	-		-	
- Others	568,843,428	568,843,428	605,164,668	605,164,668
Liability towards Investors Education and Protection Fund under section 205 C of the Companies act, 1956 not due				
- Unpaid Dividends		691,462		735,047
- Money payable to shareholders on Fractional Share Account		12,057		12,102
- Unclaimed Redemption of Preference shares		25,000		25,000
- Redemption of Preference shares		56,590		58,720
Interest accrued but not due on loans		570,604		763,215
Other Liabilities		10,807,538		11,116,837
		581,006,679		617,875,589
SCHEDULE 12				
PROVISIONS				
Gratuity		57,786,000		3,607,000
Provision For Taxation (net of Advance)		3,210,965		-
Proposed Dividend on Preference Shares		-		1,540,000
Tax on Dividend		-		261,723
		60,996,965		5,408,723
SCHEDULE 13	2009-2010		2008-2009	
SALES AND RELATED INCOME				
Sales And Related Income		2,469,050,251		3,087,363,379
Less: Excise Duty & Cess		21,422,727		21,329,633
		2,447,627,524		3,066,033,746
SCHEDULE 14				
INCOME FROM OTHER SOURCES				
Surplus (Net) on disposal of Fixed Assets		35,928		13,229,452
Dividend from long term investments		133,887		132,775
Rent Received	7,072,927		6,953,936	
Less: Rent Paid	(3,137,888)	3,935,039	(4,767,411)	2,186,525
Miscellaneous Income		1,626,986		1,051,240
Exchange Difference (Net)		4,481,175		-
Liabilities no longer required written back		3,989,340		-
		14,202,355		16,599,992

AI CHAMPDANY INDUSTRIES LIMITED
SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

Rupees

SCHEDULE 15	2009-10		2008-09	
OPERATING EXPENSES				
Employees' Remuneration and Benefits				
Salaries, Wages and Bonus	493,178,076		574,432,019	
Contribution to Provident Funds and other Funds (net of liability no longer required written back Rs Nil (2008-09 Rs 44,015,747)	78,967,509		35,223,531	
Workmen and Staff Welfare Expenses	7,110,997		8,060,554	
		579,256,582		617,716,104
OTHER EXPENSES				
Raw Materials Consumed		1,193,640,072		1,153,805,425
Purchase of goods		164,069,279		416,600,055
Export Freight		21,351,284		130,977,950
Power & Fuel		131,917,938		148,397,440
Stores Consumed		112,970,666		147,705,113
Discounting charges on Export Bills		3,128,671		4,455,584
Printing, Stationery & Communication		5,716,199		6,806,475
Bank Charges		17,205,922		18,496,631
Insurance		7,259,966		7,140,216
Transport & Handling		94,673,642		100,672,612
Repairs - Plant & Machinery	1,054,505		1,442,196	
- Buildings	2,443,053	3,497,558	2,495,248	3,937,444
Brokerage, Commission and Market				
Promotion Expenses		12,482,630		42,766,397
Rates & Taxes		3,745,765		5,379,115
Directors' Fees		421,200		316,500
Auditors' Remuneration		341,003		346,080
Export Expenses		5,622,594		21,802,785
Processing Charges	29,389,006		27,416,190	
Less : Processing Chgs Received	-	29,389,006	(12,177)	27,404,013
Miscellaneous Expenses		25,284,158		37,961,569
Less: Amounts transferred to other accounts		(7,873,506)		(8,507,075)
		2,404,100,629		2,884,180,433
SCHEDULE 16				
INTEREST				
- On Fixed Loans	27,261,549		24,429,370	
- On Others	40,744,723	68,006,272	50,398,918	74,828,288
Less : Interest Income				
- On Loans & Deposits (Gross)*		(470,793)		(2,237,464)
Interest (Net)		67,535,479		72,590,824
* - Tax deducted at source : Rs 24,026 (2008-09 Rs.352,488)				

AI CHAMPDANY INDUSTRIES LIMITED
SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

SCHEDULE -17

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 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 have 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 & 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 21st 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 1st April 1979 At rates prescribed in Schedule XIV of the Companies Act 1956

(ii) Straight Line Method

On Plant & Machinery acquired after 31st March 1979 At rates previously determined in accordance with Section 205(2)(b) of the Companies Act, 1956.
 On assets acquired upto 30th September 1986

On assets acquired after 30th 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 Profit & Loss Account.

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 has been 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 capitalised 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 & Development is charged to Profit & Loss Account of the year in which it is incurred.

1.14. Capital expenditure on Research & 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. The consolidated financial statements have been prepared in accordance with Accounting Standard "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

3. 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 consolidated Profit and Loss Account as the profit or loss on disposal of investment in subsidiary.
- (iv) The financial statement of the subsidiaries Landale & Clark Ltd and AIC Properties Ltd used in the consolidation are drawn upto the same reporting date as that of parent company i.e. 31st March 2010. The financial statements of Champdany Constructions Ltd and West Bengal Multifiber Jute Park Ltd have not been consolidated under AS-21, as the subsidiary control in these entities are temporary in nature.

	<u>Rs. in lacs</u>	
	<u>Year ended</u> <u>31.03.10</u>	<u>Year ended</u> <u>31.03.09</u>
4. Estimated amount of contract remaining to be executed on capital account not provided for	59.84	80.45
5. Contingent liabilities in respect of:		
a) Bank Guarantees:	1798.05	3119.09
b) Bank Guarantees issued by bank on pledged shares by other companies	432.54	432.54
c) Claims for Income Tax, Wealth Tax, Commercial Taxes not acknowledged as debt and under appeal	889.29	1019.07
d) Other claims not acknowledged as debt	349.99	344.45
e) Bills drawn on customers and discounted with banks and advances against collection	311.86	523.31
6. Jute Carpets / Jute diversified Products have been treated as belonging to the same class as Jute / Jute Diversified Products.		
7. Segment Information: The Company has considered two Business Segments viz; Jute/jute diversified Products & Flax Products.		

A. Primary Segment Disclosure

	<u>Rs. in lacs</u>		
<u>Particulars</u>	<u>Jute & Jute diversified Products</u> <u>2010</u>	<u>Flax - Products</u> <u>2010</u>	<u>Total</u> <u>2010</u>
<i>Revenue</i>			
External Turnover	23,406.00	1,074.82	24,480.82
Other Income	136.14	-	136.14
<i>Result</i>	584.10	165.24	749.34
Unallocated			1.34
Operating Profit			750.68
Interest Expenses			680.06
Interest Income			4.71
Income Taxes			(8.69)
Net Profit			84.02
<i>Other Information</i>			
Segment Assets	22,923.20	3,864.57	26,787.77
Unallocated			915.91
Total Assets			27703.68
Segment Liabilities	15,682.86	1,092.27	16,775.13
Unallocated			509.65
Total Liabilities			17,284.78
Capital Expenditure	655.77	43.68	699.45
Depreciation	629.88	142.56	772.44
Amortisation	3.43		3.43
Non-cash Expenses other than Depreciation and Amortisation			0.09

B. Information about Secondary Segments

Rs. in lacs

a) Revenue & Sundry Debtors as per Geographical Markets

<u>Particulars</u>	<u>Revenue</u>	<u>Sundry Debtors</u>
	2010	2010
India	19,930.14	618.94
Outside India	4,688.16	190.37
Total	<u>24,618.30</u>	<u>809.31</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

Note : This is the first year of Segment Reporting.

8. Deferred Tax:

	<u>Rs. in lacs</u>	
	Year ended <u>31.03.10</u>	Year ended <u>31.03.09</u>
i) Liability at the beginning of the year	216.19	381.34
ii) Difference between book & tax depreciation	(23.96)	(62.58)
iii) Difference between book & tax depreciation relating to earlier years	-	(75.73)
iv) On carried forward losses as per income-tax computation	-	(26.84)
v) Deferred tax liability at the end of the year	<u>192.23</u>	<u>216.19</u>

9. Related Party Disclosures:

(a) List of Related Parties and Relationships:

<u>Party</u>	<u>Relationship</u>
a) Champdany Constructions Limited	Subsidiary 100%
b) West Bengal Multifibre Jute Park Ltd	Subsidiary 90%
c) Mr. Nirmal Pujara	Key Management Personnel

(b) Transactions during the year with related parties

	<u>Rs. in lacs</u>	
	Year ended <u>31.03.10</u>	Year ended <u>31.03.09</u>
A) Subsidiaries		
i) Champdany Constructions Ltd.		
Investment in shares on transfer of Unit	Nil	805.19
Advance paid	10.44	10.50
License fee paid	9.90	Nil
Balance amount as at 31 st March, 2010	12.03	10.50
ii) West Bengal Multifibre Jute Park Ltd		
Investment in shares	-	4.50
Advance paid	0.02	7.72
Advance refund	-	4.73
Balance amount as at 31 st March, 2010	3.01	2.99
B) Key Management Personnel		
Mr. Nirmal Pujara		
Remuneration paid (whole time Director)	15.97	15.29
10. (a) Auditors' Remuneration		
As Audit Fees	1.60	1.59
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	<u>0.31</u>	<u>0.37</u>
	<u>3.41</u>	<u>3.46</u>

	<u>Rs. in lacs</u>	
	<u>Year ended</u> <u>31.03.10</u>	<u>Year ended</u> <u>31.03.09</u>
(b) Managerial Remuneration		
i) Whole-time Director		
Salary	12.00	12.00
Perquisites	<u>3.97</u>	<u>3.29</u>
	15.97	15.29
ii) Other Directors		
Sitting Fees	<u>4.21</u>	<u>3.17</u>
iii) Total (i + ii)	<u>20.18</u>	<u>18.46</u>
11. Remittance in Foreign Currencies for Dividends		
No. of non-resident shareholders	Two	Two
No. of shares held by non-resident shareholders:	4,266,666 Shares	4,266,666 Shares
Amount of Dividend remitted (Gross) in respect of year to which such dividends relate – 2008-09 (Previous year 2007-08)	Nil	21.33 lacs
12. 100% EOU Narayanpur and Shalimar Unit have been closed with due process of law. Operations of 100/% EOU Yarn Unit of Konnagar Continued to be under suspension. Working at Yarn Unit and Libra Carpet Unit at Choudwar have been suspended from 28 th December 2005 and 1 st May 2006 respectively. 100% EOU yarn Unit at Rishra (debonded with effect from 17 th December 2009) and Weaving Unit at Rishra were under suspension of work from 30 th August 2009 to 8 th December 2009 and 6 th September 2009 to 11 th December 2009 respectively due to labour unrest. There was an industry wide strike from 14 th December 2009 to 12 th February 2010. 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’.		
13. The Company’s application to the Competent Authority for exemption from the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 is pending approval.		
14. Exceptional Item (net) represents:	<u>Rs. in lacs</u>	
	<u>2009-10</u>	
Provision for gratuity	(409.22)	
Bad debts written off	(535.28)	
Cess on debonding of EOUs	<u>(9.41)</u>	
Total Debit	<u>(953.91)</u>	
Provision for doubtful export debtors no longer required written back	401.46	
Surplus from sale of fixed assets	<u>469.09</u>	
Total Credit	<u>870.55</u>	
Exceptional Item (Net)	<u>(83.36)</u>	
15. 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 Profit and Loss Account, along with the underlying transactions.		
16. In respect of the fire occurred on 22 nd April 2006 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.		
The company has filed necessary claim with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claim.		

17. 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.
18. (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) Advances recoverable in cash or in kind or for value to be received - considered good includes Rs.26.93 lakhs where although recoveries are not forthcoming but no provision has been made in the Accounts as the management considers these amounts are recoverable.
- (c) In the opinion of the management, no diminution of permanent nature in the year-end carrying value of investment with Landale & Clark Limited is likely to arise and accordingly no provision is considered necessary.
- (d) Sundry creditors include Rs. 75.71 lacs disputed by the management
- (e) Sundry Debtors and advances recoverable in cash or in kind or for value to be received includes Rs. 5.28 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.
- (f) 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. 12.17 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.
- (g) 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.
19. 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.
20. The Company obtained an order passed by the Learned 1st Civil Judge, Senior Division at Alipore, directing Bailiff for handing over the vacant possession of the Company's flat at Woodland Syndicate, to the Company on the score of non-compliance of the order passed by the Hon'ble High Court wherein the decree passed by the Trial Court is under challenge. The process of handing over is still pending owing to resistance (forcefully) by the Judgement-Debtors and/or their men and agents. Company duly filed a miscellaneous proceeding for police help. The exact amount of claim on account of mesne-profit that will be ultimately received in respect of the wrongful occupation of the flat is not ascertainable at this stage and accordingly nothing has been accounted for as income in these accounts in respect of the aforesaid claim. Such claim will be accounted for as and when such amount is received by the company.
21. (a) According to Calcutta High Court Order of February, 1987 as modified in February 1988 in connection with pending litigation initiated by Goodricke Group Ltd. against Cosmopolitan Investments Ltd. and others including the company, the company is refrained from transferring the Fixed Assets (except dealing with the said Fixed Assets by creating charges and / or mortgages in favour of Financial Institutions / Nationalized Banks) till disposal of related applications except with the leave of Court. Accordingly, the deed of Conveyance pertaining to the relevant lower Mill's assets transferred in October 1986 pursuant to an agreement of sale dated 17th September 1986 is yet to be executed. This matter is sub-judice before the High Court of Calcutta.
- b) Liability for Sales Tax and Raw Jute Tax dues pertaining to the period upto 4th February, 1994 (date of sanction of the Rehabilitation Scheme by BIFR) as finally confirmed in terms of BIFR Order dated 20th July, 1995, was Rs.466 lacs which has been paid by the company as per the Scheme sanctioned by BIFR and agreed by Sales Tax authorities.

22. The Company has maintained separate books of account for each of its 100% Export Oriented units at Rishra, (deboned on 17th. December, 2009) Narayanpur and Konnagar (Yarn) and for the Wellington Jute Mills 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.
23. As approved by the shareholders at the Annual General Meeting of the company held on 29th 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 19th September 2008.
24. The name of the company had been changed with the consent of the Central Government, from Anglo India Jute Mills Company Limited to AI Champdany Industries Limited with effect from 19th May, 2005.
25. Previous year's figures have been rearranged wherever necessary to conform to those of current year.

Signature to Schedule 1 To 17

For and on behalf of
D.P. Sen & Co.
Chartered Accountants
S K Nayak
Partner
Date : 30 May, 2010

B K Chowdhury
Sr General Manager (Accounts)
& Company Secretary

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