

AI Champdany Industries Limited

(CIN: L51909WB1917PLC002767)

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

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

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

Notice

Notice is hereby given that the Ninety Sixth Annual General Meeting of the Members of the Company will be held on Tuesday, 12 August, 2014 at 10:30 A.M. at the Auditorium of Bengal National Chamber of Commerce and Industry, 1st floor, 23, Sir R N Mukherjee Road, Kolkata – 700 001 to transact the following businesses:

Ordinary Business:

- (1) To consider and adopt:
 - (a) the audited financial Statement of the Company for the financial year ended March 31, 2014, the report of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial Statement of the Company for the financial year ended March 31, 2014.
- (2) To appoint a Director in place of Mr. D J Wadhwa (DIN: 00046180), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
- (3) To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. D. P. Sen & Co., Chartered Accountants (Registration No. 301054E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

Special Business :

- (4) **To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :**

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. G. Goswami (DIN: 00024209), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 99th Annual General Meeting of the Company in the calendar year 2017.”

- (5) **To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :**

“RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S.M. Palia (DIN: 00031145), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 3 (three) consecutive years for a term upto the conclusion of the 99th Annual General Meeting of the Company in the calendar year 2017.”

- (6) **To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :**

“RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of the Central govt , if necessary, and subject to all such approvals as may be required, approval of the company be and is hereby accorded for elevating Mr. Nirmal Pujara (DIN: 00047803) from Executive director to Managing Director of the Company for the remaining period i.e. from May 12, 2014 to December 31, 2017, on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this meeting, with liberty to the Board of Directors of the company (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions in such manner as it may deem fit and as may be acceptable to Mr. Nirmal Pujara, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

(7) **To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

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

(8) **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT in supersession of the Ordinary Resolution passed at the Annual General Meeting held on 26th September, 2006 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, that is to say reserves not set apart for any specific purpose , provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company’s Bankers in the ordinary course of business, shall not be in excess of Rs. 125 Crores (Rupees One Hundred Twenty Five Crores) over and above the aggregate of the paid up share capital and free reserves of the Company as aforesaid.”

(9) **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), consent of the company be and is hereby accorded to the Board of Directors of the Company to mortgage, hypothecate or in any other way charge in favour of the lenders all or any of the movable and/or immovable properties of the company, both present and/or future of the whole or substantially the whole of the undertaking or undertakings of the Company for availment of any loan or guarantees and to secure the payment of interest thereon or any fees or charges or expenses relating thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds and things in connection therewith and incidental thereto as the Board of Directors in its absolute discretion may deem fit, to give effect to this resolution.”

Registered Office
25, Princep Street
Kolkata – 700072
Dated: May 30, 2014

By Order of the Board
Sd/-
Swaroop Saha
Company Secretary

Important Notes:

- a) The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice convening this meeting is annexed hereto.
- b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A Proxy form for the AGM is enclosed herewith. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- c) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative not less than 48 hours before the commencement of the meeting, to attend and vote on their behalf at the meeting.
- d) Members / Proxies are requested to bring their Attendance Slip enclosed herewith along with their copy of Annual Report to the meeting.
- e) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- f) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
- g) As per clause 49 of the Listing Agreement with the Stock Exchanges brief resume of the Directors seeking appointment / re – appointment at the AGM are included in the statement pursuant to Section 102 (1) of the Companies Act, 2013 set out in the Notice convening this meeting. The Directors have furnished the requisite consent / declarations for their appointment / re – appointment.
- h) The Notice of the 96th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form and Copies of Annual Report for the financial year 2013-2014 are being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

- i) The register of Members and the Share Transfer Book of the Company will remain closed from August 1, 2014 to August 12, 2014 (both days inclusive).
- j) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
- k) The Company has entered into necessary arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholdings in the Company for which they may contact the Depository Participants of either of the Depositories.
- l) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Registrar and Share Transfer Agent of the Company of any change in their address or demise of any member as soon as possible at the following address :

**M/s MCS Share Transfer Agent Ltd.
12/1/5, Manoharpukur Road
Kolkata – 700 026
Phone : 40724051-53
Fax: 40724054**

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

- m) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent.
- n) Pursuant to the provision of Section 205A(5) and 205 C of the companies Act, 1956 as amended, dividend for the financial year ended **March 31, 2007** and **March 31, 2008**, which remained unpaid or unclaimed for a period of seven years, will be transferred to the “**Investors Education and Protection Fund**” established by the Central Government. **Shareholders, who have not encashed the dividend warrants so far for the financial year ended March 31, 2007 and for Financial year ended March 31, 2008 are requested to make their claims to the Registered Office of the Company at 25, Princep Street, Kolkata-700 072.** It may please be noted that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the company has uploaded the details of unpaid and unclaimed amounts lying with the company as on August 14, 2013 (date of last Annual General Meeting) on the website of the company (www.jute-world.com), and also on the website of the Ministry of Corporate Affairs.
- o) As approved by the Shareholders, the company has sub divided the Equity Shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each with effect from September 19, 2008. Shareholders who have not yet surrendered old share certificates of face value of Rs. 10/- each, are requested to surrender the same to the Registrar and Share Transfer Agent to enable the Company to dispatch the new share certificates in lieu of old certificates.
- p) Members may also note that the Notice of the 96th AGM and the Annual Report for the financial year 2013-2014 will be available on the Company’s website, www.jute-world.com . The physical copies of the aforesaid documents will also be available at the Company’s registered office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : aicilinvestors@gmail.com
- q) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to Registrar & Share Transfer Agent (i.e. MCS Share Transfer Agent Ltd.), for consolidation into a single folio.
- r) Non-Resident Indian Members are requested to inform M/s MCS Share Transfer Agent Ltd, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- s) **Members who have not registered their Email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc from the company electronically. Please provide your e-mail address mentioning the Company’s name and Folio Number to our Registrar, M/s MCS Share Transfer Agent Ltd. , by post at their postal address 12/1/5, Manohar Pukur Road, Kolkata-700026 or by email at mcskol@rediffmail.com in case shares held in physical form.**
- t) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. The nomination form can be downloaded from the company’s website www.jute-world.com
- u) **Voting through electronic means :**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 96th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services provided by NSDL.
The instructions for e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

- (i) Open email and open PDF file viz; “**AI Champdany e-voting.pdf**” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select “EVEN” of AI Champdany Industries Ltd.
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote subsequently.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to roymoulik.co@gmail.com or cil@ho.champdany.co.in with a copy marked to evoting@nsdl.co.in

Please note that:

- Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
 - Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - Please note that if you have opened 3-in-1 account with ICICI Group i.e. bank account and demat account with ICICI Bank Limited and trading account with ICICI Securities Limited, you can access e-voting website of NSDL through their website viz.; www.icicidirect.com for the purpose of casting your votes electronically by using your existing user ID and password used for accessing the website www.icicidirect.com. Please note that in case you are not able to login through the ICICI direct website, you can also access the e-voting system of NSDL by using your existing user ID and password for the e-voting system of NSDL.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy]:
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or contact NSDL at the following Telephone No. 022-24994600.
 - III. If you are already registered with **NSDL** for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-voting period commences on **August 5, 2014 (9:00 AM)** and ends on **August 7, 2014 (6:00 PM)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of July 11, 2014** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VI. The voting rights of shareholders shall be in proportion to their shares of the paid up share capital of the Company as on the **cut-off date of July 11, 2014**.
 - VII. **Mr. Harisadhan Ghosh**, Chartered Accountant in Whole time practice (Membership No.5886) has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - IX. The Results shall be declared **on the date of AGM** of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.jute-world.com and on the website of **NSDL** within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the **NSE / BSE / CSE Limited**.
 - v) Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 are open for inspection at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

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

Item No. 4

Dr. G. Goswami is a Non-Executive Independent Director of the Company.

The Securities and Exchange Board of India (SEBI) has amended clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent directors by a listed company.

It is proposed to appoint Dr. G. Goswami as Independent Director under Section 149 of the Companies Act, 2013 read with Schedule IV and the rules made thereunder and clause 49 of the Listing Agreement to hold office for 3(three) consecutive years for a term upto the conclusion of the 99th Annual General Meeting of the company in the calendar year 2017.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing the candidature of Dr. G. Goswami for the office of Directors of the company.

The Company has received from Dr. G. Goswami:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in subsection (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board of Directors, Dr. G. Goswami, fulfils the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Rules made thereunder and the Listing Agreement and he is independent of the Management.

A copy of the draft letter for the appointment of Dr. G. Goswami as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Brief Profile of Dr. G. Goswami :

Date of Birth: 5th January, 1940

Date of Appointment: 30th December, 2005

Qualifications: M. Tech, PHD

Expertise in specific functional areas: Ex-Chairman of IIBI with rich experience in finance and management.

Directorship in other Companies: Ganapati Sugar Industries Ltd., Naffar Chandra Jute Mills Ltd., Shibir India Ltd., Rishra Investments Ltd., Amar Investments Ltd.

Membership/Chairmanship in other Board Committees: Member of Audit Committee of Shibir India Ltd. and Member of Audit Committee of Rishra Investments Ltd.

Shareholding as on 31.03.2014: NIL

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No director, key managerial personnel or their relatives, except Dr. G. Goswami, to whom the resolution relates, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5

Mr. S.M. Palia is a Non-Executive Independent Director of the Company.

The Securities and Exchange Board of India (SEBI) has amended clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent directors by a listed company.

It is proposed to appoint Mr. S.M. Palia as Independent Director under Section 149 of the Companies Act, 2013 read with Schedule IV and the rules made thereunder and clause 49 of the Listing Agreement to hold office for 3(three) consecutive years for a term upto the conclusion of the 99th Annual General Meeting of the company in the calendar year 2017.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. S.M. Palia for the office of Directors of the company.

The Company has received from Mr. S.M. Palia:

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014,
- (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013, and
- (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

In the opinion of the Board of Directors, Mr. S.M. Palia, fulfils the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Rules made thereunder and the Listing Agreement and he is independent of the Management.

A copy of the draft letter for the appointment of Mr. S.M. Palia as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Brief Profile of Mr. S.M. Palia:

Date of Birth: 25th April, 1938

Date of Appointment : 31st May, 2006

Qualifications: B.Com, LLB, CAIIB, CIIB (LONDON)

Expertise in specific functional areas: Ex-Development Banker with rich experience in finance and management.

Directorship in other Companies: The Bombay Dyeing & Mfg Co. Ltd., Saline Area Vitalisation Enterprises Ltd., GRUH Finance Ltd., Jerambhai Management Services Pvt. Ltd., Wadhwa Endowment Management Pvt. Ltd.

Membership/Chairmanship in other Board Committees: Member of Audit Committee of Bombay Dyeing & Mfg. Co. Ltd. and Chairman of Audit Committee of GRUH Finance Ltd.

Shareholding as on 31.03.2014: Equity: 266 shares

2% Preference: 500 shares

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

No director, key managerial personnel or their relatives, except Mr. S.M. Palia, to whom the resolution relates, is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the resolution set out at Item No. 5 for approval by the shareholders.

Item No. 6

At the 95th AGM held on August 14, 2013 through special resolution the remuneration of Mr. N Pujara has been enhanced upto the **maximum ceiling** of Rs. 350000 per month (inclusive of Perquisites) as may be decided by the board from time to time but excluding perquisites as specified in Clause 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.

In view of the contribution made by Mr. N Pujara and his extensive knowledge of Company's operations and rich experience in managing the affairs of the company, the Board of Directors of the company (the 'Board'), at its meeting held on May 12, 2014 has elevated Mr. N Pujara from Executive Director to Managing Director for the remaining period i.e. from May 12, 2014 to December 31, 2017 and at the meeting held on May 30, 2014 the Board authorised for passing the enabling special resolution at the ensuing AGM for increase in the remuneration of Mr. N Pujara upto the maximum ceiling of **Rs. 84 Lacs p.a. or Rs. 7 Lacs p.m.** (inclusive of perquisites) and Commission upto 2% of the Net Profit of the Company, as may be decided by the Board of Directors from time to time on the recommendation of Nomination & Remuneration Committee, but excluding perquisites as specified in **section IV of part II of schedule V of the Companies Act 2013**, which is subject to approval of shareholders through Special resolution in the ensuing Annual General Meeting.

The principal terms & conditions including the remuneration governing the elevation of Mr. N Pujara are set out below :

- 1) **Salary:** Upto the maximum ceiling of **Rs. 84 Lacs p.a. or Rs. 7 Lacs p.m.** (inclusive of perquisites) as may be decided by the Board of Directors and/or the Nomination & Remuneration Committee from time to time but excluding perquisites as specified in **section IV of part II of schedule V of the Companies Act 2013**.
- 2) **Commission:** In addition to the salary, perquisites and other allowances, if any, as set out in this Agreement, in the event of profit of the company in any financial year, Mr. N Pujara shall be paid commission upto 2% of the Net Profit of the company as may be decided by the Board of Directors and/or the Nomination & Remuneration Committee from time to time, subject to the maximum ceiling limit specified in Section 197 read with Schedule V of the Companies Act, 2013.
For the purpose of Section 197, the Net Profit of the company shall be calculated as per Section 198 of the Companies Act, 2013.

3) Perquisites/Amenities:

Mr. N Pujara shall also be entitled to free furnished accommodation, reimbursement of medical expenses incurred for self and family, leave travel assistance for self and family, personal accident insurance as per company's Personal Accident Scheme, reimbursement of fees for clubs subject to a maximum of two clubs and same will not include admission and life membership fees, car for use on company's business and telephone at residence, reimbursement of entertainment, travelling and other expenses actually & properly incurred for the business of the company.

Provident Fund: As per company's Rule; Gratuity: Half month's salary for each completed year of service;

Superannuation Fund: As per Company's Rules; Leave: 28 days leave for every completed year of working & leave not availed shall be encashed at the end of the tenure.

Explanation:

- i) Perquisites shall be evaluated as per Income Tax Rules, wherever applicable & in the absence of any such rules perquisites shall be evaluated at actual cost. The Remuneration mentioned above including the value of total perquisites will not exceed the Maximum ceiling limit specified in Section 197 and in Schedule V of the Companies Act, 2013(excluding perquisites which are not included in the ceiling on remuneration as specified in section IV of part II of Schedule V of the Companies Act, 2013).
- ii) In the event of loss or inadequacy of profit of the company in any financial year, during the currency of the tenure of Mr. N Pujara as Managing Director of the company the remuneration as mentioned above shall be paid to Mr. N Pujara as minimum remuneration, subject to the limit prescribed in Schedule V of the Companies Act, 2013.

4) Other terms & conditions:

- i) Mr. N Pujara shall not be paid any sitting fees for attending the meeting of the Board or any Committee Meeting thereof.
- ii) The contract can be terminated by either party by giving 3 months prior notice in writing.
- iii) Mr. N Pujara will, during the period of his service with the company, diligently, faithfully and assiduously serve the company and perform his duties in efficient and faithful manner. Besides performing his duties as mentioned, he will be bound, as often as he may be required, to make himself generally useful in the performance of whatever suitable duties which may, from time to time, be assigned to him by the Board of Directors of the Company.
- iv) Mr. N Pujara will not divulge any business secrets of the company to anybody and will obey all or any directions and orders of the Board of Directors of the Company.

5) General Terms & Conditions:

- i) Mr. N Pujara may with the sanction of the Board of Directors delegate any of his powers to such Managers, Directors, Secretary or other persons, as he may deem fit, and shall have power to grant to such Manager, Director or other delegates such power of Attorney as he may, subject to the approval of the Board of Directors, deem expedient and shall have power to revoke the same.
- ii) The Managing Director shall act in accordance with the Articles of Association of the company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of Directors.
- iii) The Managing Director shall adhere to the Company's Code of Conduct.

Mr. N Pujara satisfy all the conditions set out in Part-I and Part-II of Schedule V of the Companies Act, 2013 and also the conditions set out under subsection (3) of section 196 of the said Act, for being eligible for his elevation as Managing Director of the company. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. A consent in writing has been obtained from Mr. N Pujara to act as a Managing Director of the Company.

The above may be treated as a written memorandum setting out the terms of elevation of Mr. N Pujara under Section 190 of the Companies Act, 2013.

Brief Profile of Mr. N Pujara:

Date of Birth: 23rd July, 1953

Date of Appointment: 5th April, 1994

Qualifications: B.Com

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

Directorship in other Companies: Amar Investments Ltd., Circus Avenue Properties Pvt. Ltd., Coochbehar Industries(I) Pvt. Ltd., Cooper Housing Estates Pvt. Ltd., Cooper Commodities Ltd., Coopers Wealth Advisors Ltd., Gunny Dealers Ltd., G.Jerambhai Exports Ltd., Libra Carpets Pvt. Ltd., Libra Transport Ltd., Rishra Investments Ltd., Shibir India Ltd., Rishra Industrial Enterprise Ltd., West Bengal Multifiber Jute Park Ltd.

Membership/ Chairmanship in other Board Committees: Chairman of Audit Committee & Investors' Grievance Committee of Rishra Investments Ltd. and Chairman of Audit Committee & Investors' Grievance Committee of Shibir India Ltd.

Shareholding as on 31.03.2014: Equity: 3400 shares

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. N Pujara is interested in the resolution set out at Item No. 6 of the Notice, which pertains to his elevation as Managing Director and remuneration payable to him.

The relatives of Mr. N Pujara may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends the Resolution set out at Item No.6 for approval by the shareholders.

The particulars required to be disclosed in the explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in accordance with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 are enclosed in a separate statement and forms a part of this notice.

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013 WITH RESPECT TO ITEM NO.6 OF THE NOTICE:

(I) General Information

1. Nature of Industry :
Jute & Jute Diversified Products
2. Date or expected date of commencement of commercial production :
The Company commenced business from the date of incorporation on January 2, 1917.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not Applicable.
4. Financial performance based on given indicators:
The Financial performance of the company in the previous three financial years is as follows:

<u>Financial Parameter</u>	<u>For the Year</u>		
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Turnover (Rs. in lacs)	39440.62	35393.25	34057.00
Profit After Tax (Rs. in lacs)	75.01	87.21	118.25

5. Export Performance and foreign exchange earnings:

<u>Year</u>	<u>Foreign Exchange Earned</u> <u>(Rs. in Lacs)</u>
2011-12	21921.46
2012-13	6591.91
2013-14	5793.89

6. Foreign investments or collaborators , if any: Nil

(II) Information about Mr. N Pujara , Managing Director:

1. Background Details

Mr. N Pujara has been associated with ‘The Champdany Industries Limited’ from 1973 holding different senior level positions and in the year 1993, he was elevated to Executive Director (Marketing). In 1994, he was appointed as Director of this Company and on merger of ‘The Champdany Industries Limited’ with this Company in 2006, he became Executive Director (Marketing) of this Company. Mr. Pujara was promoted to Executive Director with effect from May 30, 2012 to manage the entire affairs of the Company subject to superintendence, control and direction of the Board of Directors of the Company and accordingly, the day-to-day management and administration is vested in him. Thereafter, Mr. N Pujara was re-appointed as Executive Director of the Company with effect from January 1, 2013 for a period of five years. Mr. N. Pujara has been elevated to Managing Director on May 12, 2014 by Board of Directors on the recommendation of Nomination and Remuneration Committee, for the remaining period i.e. from May 12, 2014 to December 31, 2017 subject to approval of the members at the ensuing Annual General Meeting.

2. Past Remuneration & Proposed Remuneration to be paid to Mr. N Pujara, Managing Director :

<u>Particulars</u>	<u>Existing Remuneration</u>	<u>Proposed Remuneration</u>
Salary, Perquisites and Commission	Rs.2,25,000 per month and perquisites not exceeding Rs.50,000 per month but excluding perquisites as specified in Clause 2 of Section II of Part II of Schedule XIII of the Companies Act, 1956.	Upto Rs. 84 Lacs per annum or Rs. 7 Lacs per month (inclusive of perquisites) as may be decided by the Board from time to time but excluding perquisites as specified in Section IV of Part II of Schedule V of the Companies Act 2013, and Commission upto 2% of the Net Profit of the company as may be decided by the Board of Directors and/or the Nomination & Remuneration Committee from time to time, subject to the maximum ceiling limit specified in Section 197 read with Schedule V of the Companies Act, 2013.

3. Job Profile & Suitability:

Mr. N Pujara was appointed as a Director in the Company in the year 1994 and in the year 2006, he became the Executive Director (Marketing) on merger of ‘The Champdany Industries Limited’ with the Company. Prior to merger he was working as Executive Director (Marketing) of the merged Company since 1993. In May 2012, he was elevated as Executive Director of the Company with the overall charge of managing day to-day affairs of the Company. Considering his experience and managerial capabilities, the Board is of the view that the revision in Mr. N Pujara’s remuneration will be in the best interest of the Company. Thereafter, Mr. N Pujara was re-appointed as Executive Director of the Company with effect from January 1, 2013, for a period of five years. On May 12, 2014 the Board of Directors of the Company, on recommendation of Nomination & Remuneration Committee, elevated Mr. N Pujara as Managing Director of the Company.

4. Comparative remuneration profile with respect to industry, size of the Company, profile of the position, and person (in case of expatriates the relevant details with reference to the country of his origin):
The proposed remuneration of Mr. N Pujara, is in line with the remuneration being paid in the industry to Managing Directors. The proposed remuneration is also justified keeping in view his qualification, relevant

industry experience, size of the Company and current salary structure in the industry for such senior position in any private sector organization. Further, no sitting fees will be paid to him for attending meetings of the Board of Directors or any committee thereof.

5. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel , if any :

Mr. N. Pujara holds 3400 equity shares of the Company. Except shareholding, he has no other pecuniary relationship directly or indirectly with the company and its managerial personnel.

(III) Other Information

1. Reasons of loss or inadequate profit :

The Company has faced many challenges in the past few years like shortage of manpower, general slowdown of the economy, higher rate of interest etc. Over and above the jute prices were also volatile thereby affecting the business of the Company. Inadequacy of profits has been mainly due to all these factors.

2. Steps taken or proposed to be taken for improvement :

The Company is exploring new overseas markets /customers to increase exports which will fetch higher realization for the products. The company is also trying to rationalize cost and products mix for better productivity and consequently cost reduction and higher realization. The Company is also making efforts to widen and expand the value added flax products portfolio.

- 3 Expected increase in productivity and profits in measurable terms:

It is expected that steps taken by the Company as above should improve the productivity and profits in the years to come barring unforeseen situation.

The copies of the relevant resolutions of the Nomination & Remuneration Committee and of the Board of Directors of the company are available for inspection at the Registered Office of the Company between 11 A.M. to 2 P.M. on all working days prior to the date of the Annual General Meeting.

In view of the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special resolution set out at Item No. 6 of the accompanying Notice for the approval of the Members.

Item No. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N. Radhakrishnan & Co., Cost Accountants (Firm Reg. No. 000056) as the Cost Auditors to conduct the audit of the Cost records of the company for the financial year ending March 31, 2015 at a remuneration of Rs. 30000/- (i.e. Cost Audit Fees) plus applicable taxes and reimbursement of out of pocket expenses not exceeding Rs. 1000/- p.a.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel (KMP) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice convening this meeting.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 8

The members of the Company at the Annual General Meeting held on September 26, 2006 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings (apart from temporary loans obtained from the Company's banks in the ordinary course of business) over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.100 Crores (**Rupees One Hundred crores**).

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, that is to say reserves not set apart for any specific purpose, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, and rules made thereunder, as set out at Item No.8 of the Notice convening this meeting, to enable the Board of Directors of the company to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Therefore, approval of members is being sought to borrow money upto **Rs. 125 Crores (Rupees One Hundred Twenty Five Crores)** in excess of the aggregate of the paid up share capital and free reserves of the Company as aforesaid.

The Board of Directors therefore recommends the passing of special resolution contained in Item No.8 of the Notice convening this meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8 of the Notice.

Item No. 9

A Special Resolution is required to be passed under Section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors of the Company to sell, lease, mortgage, hypothecate or in any other way charge in favour of the lenders, all or any of the moveable and/or immoveable properties of the Company for securing any loan, guarantee or security availed from lenders.

The Board of Directors therefore recommends the passing of special resolution contained in Item No.9 of the Notice convening this meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9 of the Notice.

Brief Profile of Mr. D.J. Wadhwa seeking re-appointment pursuant to Clause 49 of the Listing Agreement:

Date of Birth: 6th September, 1937

Date of Appointment: 31st May, 2006

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

Directorship in other Companies: West Bengal Multifiber Jute Park Ltd., Jerambhai Management Services Pvt. Ltd., Wadhwa Endowment Management Pvt. Ltd.

Membership/Chairmanship in other Board Committees: NIL

Shareholding as on 31.03.2014: Equity: 2645642 shares
2% Preference: 2645642 shares

Registered Office
25, Princep Street
Kolkata – 700 072
Dated: May 30, 2014

By Order of the Board
Sd/-
Swaroop Saha
Company Secretary

AI Champdany Industries Ltd

(CIN: L51909WB1917PLC002767)

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

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

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

ATTENDANCE SLIP

96th ANNUAL GENERAL MEETING ON 12th AUGUST, 2014

Registered Folio/DP ID & Client ID No.	
Name and address of the Shareholder(s)	

I/We hereby accord my/our presence at the 96th Annual General Meeting of the company at the Auditorium of Bengal National Chamber of Commerce and Industry, 1st floor, 23, Sir R N Mukherjee Road, Kolkata-700 001, on Tuesday 12th August, 2014 at 10:30 AM.

.....
Member's Folio/DP ID-client ID No Member's/proxy's name in Block letters Member's/proxy's signature

Note: Please complete the Folio/DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.

Note: Please read the instructions printed under the Note No. (u) to the Notice of 96th Annual General Meeting dated 12th August, 2014. The e-voting period starts from 9:00A.M. on Tuesday, the 5th August 2014 and ends at 6:00 P.M. on Thursday, the 7th August, 2014. At the end of the e-voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.

AI Champdany Industries Ltd

(CIN: L51909WB1917PLC002767)

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

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

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

PROXY FORM

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

96th ANNUAL GENERAL MEETING ON 12TH AUGUST, 2014

I/We being the member(s) ofshares of the above named company, hereby appoint

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 96th Annual General Meeting of the company, to be held on Tuesday, the 12th of August, 2014 at 10:30 AM at the Auditorium of Bengal National Chamber of Commerce and Industry, 1st floor, 23, Sir R N Mukherjee Road, Kolkata-700 001 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolution Proposed	Please Tick
1	Adoption of Annual Accounts for the year ended 31 st March, 2014.	
2	Approval of re-appointment of Mr. D.J. Wadhwa, Director retiring by rotation.	
3	Approval to the appointment of Statutory Auditors and fixing their remuneration.	
4	Approval to the appointment of Dr. G. Goswami as an Independent Director.	
5	Approval to the appointment of Mr. S.M. Palia as an Independent Director.	
6	Approval for elevating Mr. N. Pujara from Executive Director to Managing Director & fixing his remuneration	
7	Approval of remuneration to the Cost Auditor for the financial year ending March 31, 2015	
8	Special Resolution u/s 180(1)(c) of the Companies Act, 2013 for approval to borrow money in excess of the aggregate of paid up share capital & free reserves of the company.	
9	Special Resolution u/s 180(1)(a) of the Companies Act, 2013 for authorizing Board of Directors to mortgage, hypothecate or in any other way charge in favour of the lender all or any of the moveable and/or immoveable properties of the company, both present and/or future.	

Signed this.....day of.....2014.

Folio/ DP ID/ Client ID..... Signature of shareholder.....

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

Affix
Revenue
Stamp

- Note:**
- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
 2. For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the 96th Annual General Meeting dated 12th August, 2014.

**A N N U A L
R E P O R T
2 0 1 3 – 2 0 1 4**

AI CHAMPDANY INDUSTRIES LIMITED

AI Champdany Industries Limited

CIN: L51909WB1917PLC002767

CHAIRMAN EMERITUS

Mr. G. J. Wadhwa (w.e.f. 30.05.2014)

BOARD OF DIRECTORS

Mr. D. J. Wadhwa, Vice Chairman

Mr. Harbhajan Singh

Mr. S. M. Palia

Dr. G. Goswami

Mr. N. Das

Dr. B. Sen

Mr. B. Wadhwa

Mr. N. Pujara (Managing Director)
(w.e.f. 12.05.2014)

VICE PRESIDENT (F & A) & CHIEF FINANCIAL OFFICER

Mr. Prakash Nagar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Swaroop Saha

AUDITORS

D. P. Sen & Co.

Chartered Accountants

FRN 301054 E

BANKERS

Bank of Baroda

Allahabad Bank

Export-Import Bank of India

ING Vysya Bank Ltd.

Bank of Maharashtra

Union Bank of India

REGISTERED OFFICE

25, Princep Street

Kolkata-700 072

SHARE DEPARTMENT

25, Princep Street

Kolkata-700 072

Phone: 2237 7880/85

Fax: 033-2236 3754/033-2225 0221

E-mail: cil@ho.champdany.co.in

Website: www.jute-world.com

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WORKS

Wellington Jute Mill 9, G T Road Rishra	Anglo India Jute Mill 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Fine Yarn Unit 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Flax Unit 1, West Ghosh Para Road Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Weaving Unit 9, G. T. Road Rishra	Weaving Unit Naity Road Barabahera	Yarn Unit 9, G. T. Road Rishra
Hooghly West Bengal Pin: 712 248	Beldanga Unit PO: Beldanga	Libra Carpet Choudwar	Weaving Unit 39, Shalimar Road	Yarn Unit Choudwar	Kankinara Unit Bhutnath Kolay Road Kankinara 24, Parganas (N) West Bengal Pin: 743 126	Hooghly West Bengal Pin: 712 248
	Murshidabad West Bengal Pin: 742 101	Cuttack Odhisia Pin: 754 025	Howrah (South) West Bengal Pin: 711 103	Cuttack Odhisia Pin: 754 025		

AI CHAMPDANY INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their report alongwith Audited Financial Results of the Company for the year ended 31 March 2014.

	(Rs. in lacs)	
	Year ended 31st March, <u>2014</u>	Year ended 31st March, <u>2013</u>
Profit before Finance Cost, Depreciation, and Tax	1,713.12	1,679.38
Finance Cost	946.06	905.50
Depreciation and Amortisation	679.56	694.17
Profit Before Tax	87.50	79.71
Provision for Tax:		
- Current Tax / MAT	19.44	17.91
- MAT Credit entitlement	(17.04)	-
- Deferred Tax Liability/ (Asset)	(33.15)	(25.41)
Profit After Tax	118.25	87.21
Adjustment relating to earlier years (taxes)	-	44.09
Profit after adjustment for taxes for earlier years	118.25	43.12
Profit Brought Forward from Previous Years	2.95	82.19
Amount available for Appropriation	121.20	125.31
Dividend on Preference Shares on Redemption	-	53.66
Tax on Dividend	-	8.70
Transfer to Capital Redemption Reserve	115.00	60.00
Surplus Carried over	6.20	2.95

DIVIDEND

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

ALLOTMENT OF EQUITY SHARES ON CONVERSION OF CONVERTIBLE SHARE WARRANTS ON PREFERENTIAL BASIS TO PROMOTER GROUP ENTITIES

In Terms of special resolution passed by the shareholders at the Annual General Meeting held on 12 September 2012 and in compliance of the SEBI (ICDR) Regulations, 2009, 2,683,045 convertible warrants were allotted to promoter group entities on 26.09.2012 on payment of 25% application money. During the year the Company received the balance 75% of the warrant issue price and accordingly 2,683,045 fully paid up equity shares of Rs. 5/- each were allotted on 15.05.2013 on conversion of warrants and the total amount of Rs. 550.02 lacs received against warrants were credited to Equity Share Capital Rs. 134.15 lacs and Security Premium Reserve Rs. 415.87 lacs. Consequently the paid up equity capital increased to Rs. 1371.04 lacs and security premium reserve increased to Rs. 3221.61 lacs. The statutory auditor has certified that the proceeds of the above issue have been utilized for the purpose as stated in the shareholders' resolution dated 12 September 2012.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

Mr G J Wadhwa joined the Board of The Champdany Jute Company Limited (since merged with your Company) in the year 1968 and appointed as the Chairman in 1993. He was appointed as Director and Chairman of your Company in 2006 on merger of The Champdany Industries Limited (old name The Champdany Jute Company Limited). He stepped down as the Chairman and Director of your Company on 30 May 2014 on attaining the age of 89 years and was appointed as Chairman Emeritus of the Board on the same date. The Directors while wishing him good health placed on record their sincere appreciation of Mr Wadhwa's association of nearly 4½ decades with the group during which his visionary leadership, strategic direction contributed immensely in the growth of the group and your Company.

Mr N Pujara was elevated as Managing Director from 12 May 2014, subject to approval of members at the ensuing Annual General Meeting.

In terms of Articles of Association of the Company, Mr D J Wadhwa, Dr G Goswami and Mr S M Palia, Directors retire at the ensuing Annual General Meeting under the provisions of the Companies Act 1956. The Company has received requisite notices in writing from members proposing Dr G Goswami and Mr S M Palia for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of the independence as prescribed both under sub-section (6) of Section 149 of the Companies Act 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

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

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanation received from the day to day operating management, your Directors make the following statements pursuant to Sub-Section (2AA) of Section 217 of the Companies Act, 1956.

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with a proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Annual Accounts have been prepared on a going concern basis.

AUDITORS

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

APPOINTMENT OF COST AUDITOR

The Board of Directors at its Meeting held on 30 May 2013 has reappointed M/s N Radhakrishnan & Co, Cost Accountants as Auditor for carrying out audit of cost accounting records in respect of jute goods for the financial year 2013-14.

The Auditors Reports on cost accounting records of the Company for the financial year 2012-13 were filed with Ministry of Corporate Affairs on 26 September 2013 (within the due date).

SUBSIDIARY

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies are disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the subsidiary companies are also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The consolidated financial statement presented by the Company include the financial results of its subsidiary companies i.e. Champdany Construction Ltd, Landale & Clerk Ltd and AIC Properties Ltd. Landale & Clerk Ltd and AIC Properties Ltd have ceased to be subsidiary companies w.e.f. 19 May 2014 on divestment of part shareholding.

CONSOLIDATED FINANCIAL STATEMENT

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

AUDITOR'S REPORT

Qualified opinion by the Auditors in their report have been adequately dealt with in the Notes 46 and 47 of the Accounts, which are explained hereunder seriatim.

- (i) In respect of Loss on Account of Fire at the Company's Wellington Jute Mill on 21 January 2011, 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 the insurance authorities.
- (ii) The Company is providing Gratuity Liability on accrual basis for all its units and only in respect of one unit i.e. Jagatdal, it was accounted for on cash basis for the intervening period of 1996-97 to 2006-07 as explained in Note No. 47 to the Accounts.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

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

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENTS

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

Place: Kolkata
Dated: 30 May 2014.

On Behalf of the Board
B.Wadhwa
N.Pujara
Directors

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Development

During later part of the year demand scenario in the Jute Industry was weak due to very low level of Government buying of 'B' Twill Bags for food packaging because of erratic placement of orders by the Government/DGS&D in the absence of decision making by the government departments due to impending general elections in the country and higher inventory created by excess buying in previous months.

Availability of workers was extremely erratic on account of migrant workers staying back with families in their home States attending to various other chores during the period of their guaranteed jobs programmes under different Government of India Schemes thereby Industry had to pay additional wages by hiring local people as possible which on their already comparatively higher wage structure because of continuous increase in DA added further cost pressure on the Industry.

Jute Industry needs to take urgent steps to link wages with the productivity and also to install labour and power efficient equipments so as to retain its competitiveness vis-à-vis other alternate products.

B. Opportunities / Threats, Risks & Concerns

● Opportunities

With the general election being over and a stable Government at the Centre it is expected that there will be growth in the Indian Economy with resultant increase in demand for packaging of food products and other items which should result in higher demand for the Jute Industry also, signs of which has become visible with Government buying of 'B' Twill Bags having started which for the last few months was very low. Better opportunities are also there for the value added diversified items where your Company has been pioneer and leader with the Flax /Linen unit under its fold which is a value added item having huge demand potential in the Indian market, the Company is putting thrust on further enhancing the production of flax linen and other value added items where demand is growing continuously and the margins are also better.

● Threats/Risks and Concerns

The major challenge that the Jute Industry is facing is acute shortage of workers, increasing cost of production arising out of rising wages without any linkage to productivity. Continuation of Jute packaging (compulsory use for packaging commodities) Act 1987 is also an important factor for which Industry needs to make concerted efforts by making representation to the Government for its continuation.

C. Outlook

In the last few months Government demand of 'B' Twill Bags for packaging of food grains has been very low, however as per present indications such demand is likely to flow-in in the coming months which to some extent is expected to improve the demand scenario of finished goods. On export front the Industry is facing stiff competition from Bangladesh having many advantages over India such as Bangladesh Taka at 78 to US Dollar compared to Indian Rupee at 59 to US Dollar, labour cost and power cost also much lower in Bangladesh compared to India and on top of it Bangladesh exporters get subsidy on the value of their exports which is non-existent for Indian exporters. As such the Government of India as well as the State Government needs to look into such high disparity between India and Bangladesh's parameters so that a level playing field is made available to the Indian Jute Industry to make the export competitive and that could be by way of some kind of incentive /subsidy scheme which was being made available earlier by the Ministry of Textile Government of India through JMDC but now completely withdrawn. Your Company is however, continuing its thrust on manufacture of value added items by restructuring or divesting some of its conventional units and in this endeavour, Narayanpur unit has been closed with due process of law and is further exploring the possibility of divesting other conventional units so as to deploy the funds so monetized, in production of value added diversified products. The Company has received consent for sale of one of its undertakings viz. Anglo-India Jute Mill (Middle Mill) located at Jagatdal, District. North 24 Parganas, West Bengal from the shareholders of the company on 14 March 2014 by way of postal ballot. The matter is under process.

D. Internal Control System & Adequacy

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

E. Financial & Operating Performance

During the year under review, production was 42,711 MT compared to 50,012 MT in the previous year. Sales / Related Income was Rs.335.20 crores compared to Rs.351.67 crores in previous year. Production/ Sales was affected due to low off take of 'B' Twill Bags by Government/DGS&D in the later part of the year under review.

F. Material Development in Human Resources / Industrial Relations Front

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

Yarn Unit and Libra Carpet Unit located at Choudwar, District Cuttack, Odhisa continued to be under suspension of work. Weaving Unit at Konnagar is under suspension of work since 6 February 2014.

G. Cautionary Statements

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

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

To the Members of AI Champdany Industries Limited

We have examined the compliance of conditions of Corporate Governance by AI Champdany Industries Limited ("the Company") for the year ended 31 March 2014, 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.

Kolkata
Date : 30 May 2014

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

AI CHAMPDANY INDUSTRIES LIMITED

Corporate Governance Report for the year ended 31 March 2014.

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:

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.

Board of Directors

During the year under review, the strength of the Board of Directors was 9 (nine) comprising of 3 promoter non-executive Directors (including a non-executive Chairman), 5 non-executive Independent Director and 1 Executive Director.

During the financial year ended 31 March 2014, five Board meetings were held on 30 May 2013, 14 August 2013, 13 November 2013, 25 January 2014 and 13 February 2014.

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 Directorships and committee Memberships/Chairmanships in other companies		
		Board Meetings	Last AGM	Other Directorships* (Public Ltd Co.)	Committee Memberships**	Committee Chairmanships**
Mr. G. J. Wadhwa	Promoter Non-Executive Chairman	Nil	No	2	Nil	Nil
Mr. S. M. Palia	Independent Non-executive	2	Yes	3	1	1
Mr. Harbhajan Singh	Independent Non-executive	4	Yes	2	Nil	Nil
Dr. B. Sen	Independent Non-executive	5	Yes	3	2	1
Dr. G. Goswami	Independent Non-executive	5	Yes	5	2	Nil
Mr. D. J. Wadhwa	Promoter Non-Executive	5	Yes	1	Nil	Nil
Mr. N. Das	Independent Non-executive	5	Yes	3	2	2
Mr. N. Pujara	Executive Director	5	Yes	10	Nil	4
Mr. B. Wadhwa	Promoter Non-Executive	5	Yes	7	Nil	Nil

*Excludes membership of the Managing Committee of various chambers/bodies, Directorship in Foreign companies, Companies registered u/s 25 of Companies Act, 1956, Directorship in private limited companies and Alternate Directorship.

**For reckoning the limit, the membership/chairmanship of the Audit Committee & Shareholders' Grievance Committee of the Indian Public Limited companies were considered.

The composition of the Board and other provisions as to Board and committees are in compliance with the clause 49 of the Listing Agreement. All the Independent directors qualify the conditions for being independent director as prescribed under clause. No director is related to any director, except Mr. G.J. Wadhwa and Mr. D.J. Wadhwa who

are related to each other as brothers. Further, the Board periodically reviews compliance reports of all laws applicable to the company and necessary steps are being taken to ensure the compliance in law and spirit.

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

Audit Committee

The Board of Directors has set up an Audit Committee under the provisions of Section 177 of the Companies Act, 2013 and for compliance of Corporate Governance Code under Clause 49 of the Listing Agreement. The present terms of reference of the Audit Committee includes the powers as laid out in clause 49 (II) (C) and role as stipulated in clause 49 (II) (D) of the Listing Agreement with the Stock Exchanges.

The Audit Committee also reviews information as per requirement of clause 49 (II) (E) of the Listing Agreement.

The Audit Committee also complies with the relevant provisions of the Companies Act, 1956.

The terms of reference of the Audit Committee are determined by the Board from time to time. The brief description of terms of reference of the Audit Committee in line with the clause 49 of the Listing Agreement are :

- 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 to the Board, the appointment and removal of statutory auditor, including cost auditor, nature and scope of audit, fixation of audit fee and also approval for payment for any other services rendered by the statutory auditor.
- Reviewing with the management the quarterly & annual financial statements before submission to the Board.
- Reviewing with the management, performance of Statutory & Internal auditors.
- Reviewing the adequacy and effectiveness of internal audit function, the internal control system of the company, the structure of the internal audit department, staffing and seniority of the official heading the department, and frequency of internal audit.
- Discussion with internal auditors, any significant findings and follow up thereon including reviewing the findings of internal investigation, if any.
- Discussion with the statutory auditors before the audit commencement, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- And generally all items listed in clause 49 (II) (D) of the Listing Agreement.

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

Composition, Meetings and Attendance :

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

The Company Secretary acts as the secretary to the committee. The Executive Director, CFO, the Statutory Auditor and the Internal Auditor of the company are permanent invitees at the meetings of the committee. The composition of the Audit Committee meets the requirement of the clause 49 and the provisions of the Companies Act, 1956.

During the financial year ended 31 March 2014, four Audit Committee meetings were held on 30 May 2013, 14 August 2013, 13 November 2013 and 13 February 2014.

SL. No.	Name of the Directors	Position	No. of meetings attended
1.	Mr. Harbhajan Singh	Chairman, Independent, Non-Executive	4
2.	Mr. N. Das	Member, Independent, Non-Executive.	4
3.	Dr. G. Goswami	Member, Independent, Non-Executive.	4
4.	Mr. D.J. Wadhwa	Member, promoter, Non-Executive.	4

Nomination and Remuneration Committee

Composition: The Committee of the Board comprises of three Independent Directors, namely Mr. Harbhajan Singh, Dr. G. Goswami and Mr. N. Das.

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

Meetings: During the financial year ended 31 March 2014, there was only one meeting of the Committee held on 30 May 2013. All the members of the committee were present in the meeting held on 30 May, 2013.

DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014.

A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the financial year 2013-14 is as under :

(Amount in Rs.)

Name of the Director	Meeting Fees			Total	No. of shares held	
	Audit Committee	Board	Other * Committees		Equity	2% Preference
Mr. G. J. Wadhwa	-	-	-	-	1,189,300	1,189,300
Mr. S. M. Palia	-	15,000	-	15,000	266	500
Mr. Harbhajan Singh	30,000	30,000	7,500	67,500	-	-
Dr. G. Goswami	30,000	37,500	22,500	90,000	-	-
Mr. D. J. Wadhwa	30,000	37,500	-	67,500	2,645,642	2,645,642
Mr. N. Das	30,000	37,500	7,500	75,000	2,666	-
Dr. B. Sen	-	37,500	7,500	45,000	-	-
Mr. B. Wadhwa	-	37,500	7,500	45,000	1,732	1,532
Total	120,000	232,500	52,500	405,000		

* for attending Nomination and Remuneration Committee, Stakeholders Relationship Committee and Other Committee of Directors' meetings.

B. Remuneration to Executive Director/Managing Director

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

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

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

Name of the Executive Director	Salary (Rs)	Benefits (Rs)	Remarks
Mr. Nirmal Pujara	23,25,000	5,17,923	Appointment for a period of 5 years from January 1 2013 to December 31 2017. The contract is terminable by either party by giving 3 months notice.

Stakeholders Relationship Committee

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

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

During the financial year ended 31 March 2014, one Stakeholders Relationship Committee meeting was held on 13 February 2014.

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

- a) Number of complaints received from Stock Exchange/SEBI – NIL
- b) Number of complaints non-resolved/non-action taken – NIL
- c) Number of pending share transfer as on 31 March 2014 – NIL

Investors' grievances are resolved expeditiously.

Compliance Officer :

Mr. Swaroop Saha, Company Secretary has been designated as Compliance Officer.

General Body Meeting

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

Financial Year	Location of Meeting	Date	Time
2010-2011	Bengal National Chamber of Commerce & Industry, 1 st Floor, 23, Sir R N Mukherjee Road Kolkata – 700001	13 August 2011	11.30 A.M
2011-2012	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata-700 017	12 September 2012	10.30 A.M.
2012-2013	Bengal National Chamber of Commerce & Industry, 1 st Floor, 23, Sir R N Mukherjee Road Kolkata – 700001	14 August 2013	10.30 A.M.

One Special Resolution was passed in the last Annual General Meeting to enhance the remuneration payable to Mr. N Pujara , Executive Director of the Company within the ceiling limit as specified under Schedule XIII to the Companies Act, 1956.

One special resolution was passed through postal ballot during the year 2013-2014 relating to sale of one of the undertakings of the company known as Anglo Indian Jute Mill, Middle Mill located at Jagatdal, Dist. 24 Parganas North , West Bengal.

Result of postal ballot is as per detail given in below for which Mr. B.K. Gupta acted as scrutinizer:

Altogether 52 No. of Shareholders holding 17,344,275 Equity shares and 29 No. of Shareholders holding 12,338,388 2% preference shares casted their vote through postal ballot in favour of the resolution & none of the members dissented. As such the resolution was declared passed unanimously.

Subsidiary

The Company has non-listed Indian Subsidiary Companies i.e. Champdany Construction Ltd., Landale & Clark 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.

Disclosures

- a) The company does not have any Related Party Transactions, which may have potential conflict with the interest of the company at large. However, disclosures of transactions with related parties is set out in the Notes to the Accounts, forming part of the Annual Report.
- b) The material financial and commercial transactions where persons in management have personal interest, exclusively relate to transactions involving Key Management Personnel forming part of the disclosure on related parties referred to in Note No. 37 to Annual Accounts, which were reported to Board of Directors. The Register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for approval.

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

Means of Communication

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

General Shareholders' information :

- a) **AGM date, time and venue**
Annual General Meeting is to be held on 12 August 2014 at 10-30 A.M. at the auditorium of Bengal National Chamber of Commerce and Industry, 23, Sir R N Mukherjee Road, 1st floor, Kolkata-700 001.
- b) **Financial Calendar 2014-15 (Tentative)**
Financial year : 1 April to 31 March.

Unaudited 1 st quarter results (quarter ending on 30 June 2014)	:	Second Week of August 2014
Unaudited 2 nd quarter results (quarter ending on 30 September 2014)	:	Second week of November 2014
Unaudited 3 rd quarter results (quarter ending on 31 December 2014)	:	Second Week of February 2015
Audited Annual Results (i. e. year ending on 31 March 2015)	:	Last week of May 2015
- c) **Book Closure period** : From 1 August 2014 to 12 August 2014 both days inclusive.
- d) **Listing on Stock Exchange**
The Company's Equity shares are listed on The Calcutta Stock Exchange Limited, Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. Annual Listing fees as prescribed have been paid to the Stock Exchanges for the year 2013-2014.
- e) **Scrip Code**

Kolkata Stock Exchange
011001

Bombay Stock Exchange
532806

National Stock Exchange
AICHAMP

f) **Stock price data**

Month	BSE		NSE	
	High	Low	High	Low
April, 2013	22.35	19.05	NT	NT
May, 2013	21.40	19.75	NT	NT
June, 2013	20.95	19.90	NT	NT
July, 2013	18.95	16.30	NT	NT
August, 2013	18.00	17.00	NT	NT
September, 2013	17.85	15.50	NT	NT
October, 2013	18.90	15.65	NT	NT
November, 2013	20.65	17.95	NT	NT
December, 2013	18.50	18.45	NT	NT
January, 2014	18.50	15.65	17.00	15.55
February, 2014	19.20	14.60	16.30	13.55
March, 2014	19.20	15.60	14.15	12.90

g) **Registrar and Share Transfer Agents**

The Company has appointed M/s.MCS Share Transfer Agent Limited having its office at 12/1/5, Monoharpukur Road, Kolkata – 700 026 as Registrar for both demat and physical segment.

h) **Share Transfer System**

Shares in demat and physical form are being processed by the registrar on regular basis. Share transfer requests received in physical form are registered within 30 days from the date of receipt and demat requests are normally confirmed within an average of 15 days from the date of receipt.

i) **Distribution of Shareholding as on 31 March 2014**

Equity				
Group of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Total Shares
1 to 500	2,910	89.57	225,494	0.82
501 to 1000	154	4.74	106,156	0.39
1001 to 2000	89	2.74	124,506	0.45
2001 to 3000	23	0.72	56,196	0.20
3001 to 4000	13	0.40	44,238	0.17
4001 to 5000	5	0.15	22,910	0.08
5001 to 10000	5	0.15	34,193	0.12
10001 to 50000	13	0.40	324,519	1.19
50001 to 100000	6	0.18	452,205	1.65
100001 and above	31	0.95	26,030,414	94.93
GRAND TOTAL	3,249	100.00	27,420,831	100.00

2% Preference Share				
Group of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Total Shares
1 to 500	66	60.55	11,010	0.09
501 to 1000	7	6.43	6,532	0.05
1001 to 2000	5	4.59	7,163	0.06
2001 to 3000	2	1.83	4,800	0.04
3001 to 4000	4	3.67	13,600	0.11
4001 to 5000	1	0.92	5,000	0.04
5001 to 10000	1	0.92	10,000	0.08
10001 to 50000	2	1.83	44,932	0.36
50001 to 100000	2	1.83	141,674	1.14
100001 and above	19	17.43	12,169,642	98.03
GRAND TOTAL	109	100.00	12,414,353	100.00

j) **Categories of Shareholders as on 31 March 2014**

Particulars	Equity			2% Preference		
	No. of Holders	Holding/ Shares held	% to Capital	No. of Holders	Holding/ Shares held	% to Capital
Promoters Group	31	14,779,774	53.90	22	9,773,156	78.72
Indian Financial Institutions/Banks	29	2,748,916	10.02	4	2,558,332	20.61
State Government	2	704	0.00	-	-	-
Foreign Institutional Investors	2	1,332	0.00	-	-	-
Bodies Corporate	120	566,823	2.07	8	6,790	0.05
Trust & Foundations	1	10	0.00	-	-	-
NRI	39	4,156	0.02	-	-	-
Foreign Bodies Corporate	2	8,533,332	31.12	-	-	-
Individual & others	3,023	785,784	2.87	75	76,075	0.62
Total	3,249	27,420,831	100.00	109	12,414,353	100.00

k) **Dematerialization of shares**

As on 31 March 2014, 57.41% of total holding of Equity Shares and 79.38 % of total holding of 2% Preference Shares have been dematerialised.

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

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

m) **Plant Location**

As appearing on the first page of Annual Report

n) **Investors' Correspondence**

For assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividends and any other queries relating to shares, investors may write to: Share Department, 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 Share Transfer Agent Ltd., 12/1/5, Monoharpukur Road, Kolkata - 700026, Telephone: (033) 4072-4051 to 53, Fax (033) 4072-4054. Shareholders, holding shares in electronic mode, should address all their correspondences to their respective Depository Participant.

o) **The Investors Education and Protection Fund**

The shareholders and other stakeholders are hereby informed that pursuant to provisions of Section 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. As required the company has already provided the details of unpaid dividend not yet claimed by the shareholders for the financial year 2006 – 07 and 2007 – 08 in its website www.jute-world.com. As such the shareholders may view the same and submit their claim to the company before transfer to the Investors Education and Protection Fund. Following table gives information relating to such unclaimed dividend and the dates when due for transfer to IEPF :

	Date of payment of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
Equity.			
Year ended			
31 March 2007	1 September 2007	31 August 2014	30 September 2014
31 March 2008	30 July 2008	29 July 2015	28 August 2015

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

The company has already transferred to the IEPF unpaid/unclaimed dividend for the financial year ended 31 March 2005 & 31 March 2006 which remained unpaid/unclaimed for a period of 7 years from the date they became due.

p) **Appointment/Re-appointment of Directors**

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

q) **Auditors' certificate on Corporate Governance**

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.

r) **CEO/CFO Certification**

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

Code of Conduct :

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

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

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

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

Mandatory and non-mandatory requirements

(a) **Status of Compliance of the mandatory requirements**

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

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

The Company 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.

Declaration by the Managing Director on the Code of Conduct :

Pursuant to clause 49 of the Listing Agreement with Stock Exchange, I, Nirmal Pujara, Managing Director of AI Champdany Industries Ltd., declare that all the Board Members & Senior Executives of the company have affirmed their compliance with the Code of Conduct during the year ended 31st March, 2014.

Place : Kolkata
Dated: 30 May 2014

N. Pujara
Managing Director

Certification by CEO and CFO

We, N. Pujara, Managing Director and Prakash Nagar, Vice President (F & A) & Chief Financial Officer of **AI Champdany Industries Ltd.**, certify that :

- a. We have reviewed financial statements and cash flow statement for the year ended 31 March 2014 and to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31 March 2014 which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee that :
 - i) there have been no significant changes in internal control over financial reporting during the year under reference;
 - ii) there have been no significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii) We are not aware of any instances during the year of significant fraud with involvement therein if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting except shortage found between physical and book stock of 33 MT valued at Rs. 211.29 lacs of flax yarn, has been adjusted in the books.

Place: Kolkata
Date: 30 May, 2014

Prakash Nagar
Vice President (F & A) &
Chief Financial Officer

N. Pujara
Managing Director

AI CHAMPDANY INDUSTRIES LIMITED

Statements pursuant to Section 212 of the Companies Act, 1956 relating to
Company's interest in Subsidiary Company during the year ended 31 March 2014

1. Name of Subsidiary Company	Champdany Constructions Limited	Landale & Clark Limited	AIC Properties Limited
2. The financial year of the Subsidiary Company ended on	31 March 2014	31 March 2014	31 March 2014
3. Date from which they became subsidiary company	10 October 2004	28 February 1947	27 November 2009
4. Holding Company's interest	8,101,959 nos. Equity Shares of Rs. 10 each fully paid up	20,000 nos. Equity Shares of Rs. 100 each fully paid up	50,000 nos Equity Shares of Rs. 10 each fully paid up
5. Extent of holding:Equity Shares	100%	100%	100%
6. Net aggregate amount of the Subsidiary Company's profit/(loss) so far as it concerns the members of the holding company.:			
A. Not Dealt with in the holding company's accounts :			
i) For the financial year ended 31 March 2014 (Rupees in lacs)	1.43	0.65	(0.02)
ii) For the previous financial years of the subsidiary company since they became the holding company's subsidiary (Rupees in lacs)	50.80	(8.86)	(2.20)
B. Dealt with in the holding company's accounts :			
i) For the financial year ended 31 March 2014	Nil	Nil	Nil
ii) For the previous financial years of the subsidiary company since they became the holding company's subsidiary	Nil	Nil	Nil

Financial information of the Subsidiary Company :

1	Name of the Subsidiary Company	Champdany Constructions Ltd	Landale & Clark Ltd	AIC Properties Ltd
2	Reporting Currency	(Rupees in lacs)	(Rupees in lacs)	(Rupees in lacs)
3	Capital	810.20	20.00	5.00
4	Reserves	51.07	6.87	(2.22)
5	Total Assets	1,081.23	104.24	3.83
6	Total Liabilities	1,081.23	104.24	3.83
7	Investments	1.95	18.23	-
8	Turnover / Total Income	78.13	4.72	0.29
9	Profit / (Loss) before Tax	7.21	0.99	0.06
10	Provision for Tax	5.78	0.34	0.08
11	Profit / (Loss) after Tax	1.43	0.65	(0.02)
12	Proposed Dividend	Nil	Nil	Nil
13	Country	India	India	India

On behalf of the Board

Kolkata: 30 May 2014	Swaroop Saha Company Secretary & Compliance Officer	Prakash Nagar Vice President (F & A) & Chief Financial Officer	B.Wadhwa } N.Pujara } Directors
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AI CHAMPDANY INDUSTRIES LIMITED

Annexure to the Directors' Report

Information as per Section 217 (1)(e) read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31 March 2014.

A. CONSERVATION OF ENERGY

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

- a) Replacement of HSPV lamp fittings with metal Halide Lamp Fittings and good quality copper ballast.
- b) Have planned for installation of all the spinning frames motors to outside of the machine to reduce the following :
 - i) Power Consumption
 - ii) Ball Bearing & Grease consumption
 - iii) Breakdown and Fire Hazard.
- c) Power factor already improved from 95% to 97% in the CESC Power Bill to get more rebate.

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

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

“FORM A”

a) POWER AND FUEL CONSUMPTION	Current year	Previous year
i) ELECTRICITY		
a) Purchased Units (KWH)	27,291,050	28,928,358
Total Amount (Rs. in lacs)	2,026.47	2,087.30
Rate / Unit (Rs.)	7.43	7.22
b) Own Generation through Diesel Generator (Units)	67,317	97,133
Units per liter of Oil	2.79	2.74
Cost / Unit (Rs.)	23.84	15.21
ii) COAL		
(B grade used for generation of steam in boiler)		
Quantity (M. Ton.)	31	128
Total Cost (Rs. in lacs)	2.29	12.44
Average Rate (Rs.)	7,450	9,716
b) CONSUMPTION PER UNIT OF PRODUCTION		
Electricity (KWH/MT)		
Jute/Jute diversified Products and Services	592	560
Flax Products	4,861	3,442
Coal per ton of Production (M.Ton)		
Jute/Jute diversified Products and Services	-	-
Flax Products	-	-
Production		
Jute & Jute Diversified Products (M. Ton.)	42,222	49,656
Flax Product (M. Ton.)	489	356

“FORM B”

B. TECHNOLOGY ABSORPTION

Research and Development (R & D)

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

Benefits derived as a results of the above R&D and future plan of action :

Technology absorption, adaptation and innovation –

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

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

Technology absorption, adaptation and innovation, efforts in brief made towards technology absorption and innovation :

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

Expenditure on R & D :

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

Details of imported technology :

No technology has been imported during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

Total foreign exchange used and earned		(Rs. in lacs)	
	:	Current Year	Previous Year
Used	:	3,354.36	4,911.95
Earned	:	5,793.89	6,591.91

On Behalf of the Board

Place : Kolkata
Dated : 30 May 2014

B.Wadhwa
N.Pujara Directors

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AI CHAMPDANY INDUSTRIES LIMITED

Report on the Financial Statements for the year ended 31 March 2014

We have audited the accompanying financial statements of AI Champdany Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility :

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

Auditor's Responsibility :

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

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

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

Qualified Opinion :

We report that 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) *pending assessment of losses in respect of stocks of finished goods damaged by fire, no adjustment has been made to the accounts as referred to in note 46 to the Accounts;*
- ii) *non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1.4.1997 to 31.03.2007 in respect of one unit of the company as referred to in note 47 to the Accounts (relates to erstwhile Anglo India Jute Mills Company Limited).*

Opinion :

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 Qualified Opinion 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, 2014 and
- (b) in the case of Statement of Profit & Loss, of the Profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

Emphasis of Matter :

We draw attention to Note 48 to the Accounts on recognition of remission of taxes by Sales Tax Authority (relates to erstwhile Anglo India Jute Mills Company Limited).

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a) subject to our observations set out in Qualified Opinion above, we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit ;
 - b) further subject to our observations set out in Qualified Opinion above, in our opinion, proper books of accounts as required by law have been maintained by the Company, so far as appears from our examination of those books ;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Kolkata,
Dated: 30 May 2014.

ANNEXURE TO AUDITOR'S REPORT

(Referred to in Paragraph 1 of our Report of even date)

1. (a) At Jagatdal units proper records showing full particulars including quantitative details and situation of fixed assets have been maintained from the year 1970-1971. As explained to us that the Company has also identified fixed assets acquired in earlier periods, upto the year 1962-1963, and has built up records with aggregate value showing quantitative details and locations of the same but not the individual cost, and consequently such aggregate values could not be reconciled with the values of individual items acquired prior to 1970-1971 and recorded in the fixed assets register.

At other units the company has maintained proper records showing full particulars including original and revalued costs, quantitative details and situation of fixed assets except for certain items of fixed assets acquired prior to 1 April 1962, which have been recorded on the basis of physical verification conducted during the year ended 31 March 1978 and values as estimated by the Management in the absence of original cost.
- (b) We have been informed that the Fixed Assets of the Company other than certain items of underground electrical installations have been physically verified during the year by the management, and in respect of items for which proper records have been maintained, no material discrepancies have been noticed.
- (c) No substantial part of the fixed assets has been disposed off during the year except Fixed Assets of Rs. 2.29 lacs have been transferred to Stock-in-Trade in respect of Building at Narayanpur unit of the Company. The Company has taken approval of shareholders to sell Anglo India Jute Mill – Middle Mill Unit which is under process.

2. (a) Inventory of the Company at all its locations have been physically verified by the management at reasonable intervals during the year. In the case of stocks lying with third parties, certificates confirming stocks held by them have been received. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion the procedures for verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion the inventory records are being properly maintained by the Company. Shortage found between the physical and book stocks, of 33 MT, valued Rs.211.29 lacs of flax yarn during the year has been adjusted in the books.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, clauses 4(iii) (b) to (d) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, taking into consideration the explanation that some purchases are special in nature for which comparative quotations from suitable alternative sources is not available, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act 1956 have been duly entered in the register required to be maintained in pursuance of Section 301 of the Companies Act 1956. The transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices of such goods, or prices of which transactions for similar items have been made with other parties.
6. The Company has not accepted any deposits from the public falling within the purview of Section 58A and 58AA or any other relevant provisions of the Act.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. Cost records and accounts as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, prima-facie is being maintained by the company. Though we have examined such books and records, we have not made any detailed examination with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us and as per the records of the company examined by us, we are of the opinion that the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, custom duty, cess, service tax and any other material statutory dues with the appropriate authorities. There are no outstanding undisputed amounts in respect of such statutory dues as at 31 March, 2014 for a period of more than six months from the date they became payable. As explained to us the company has no overdue 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 Lakhs)	Forum where the dispute is pending
Bhatpara Municipality	Municipal Taxes & Land Revenue	225.23	REVIEW BOARD
ESI Act	ESI dues	260.70	ESI COURT
Central Sales Tax 1956 & West Bengal Sales Tax Act, 1994	Sales Tax	2.10 454.01 18.37	ACCT WBCTA & RB SJCCT
Income Tax Act 1961	Income Tax	218.62	CIT (Appeal)

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

11. According to explanations and information obtained and based on our examination of the records the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. On the basis of our examination of the books and records of the company and according to information and explanations given to us the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. No provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments and thus the provisions of clause 4(xiv) of the Order are not applicable to the company.
15. The company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. According to information and explanations obtained and on the basis of examination of the books and records, we report that the company has taken term loan during the financial year 2013-2014 has been applied for the purpose for which the loan was obtained from Bank.
17. An overall examination of the balance sheet of the company and as per information and explanations obtained, no funds raised on short-term basis have been used for long-term investments.
18. The company has allotted 2683045 nos of Equity Shares of face value of Rs. 5/- each on conversion of 2683045 nos of convertible share warrants at a price of Rs. 20.50 (including premium of Rs. 15.50 per warrant), 25% paid during the previous year and 75% paid during the year with the right to convert each warrant into one fully paid up Equity share of face value of Rs. 5/- not before 31.03.2013 and not later than 18 months from the date of allotment of convertible warrants i.e. within 25.03.2014. These shares on conversion were allotted on 15.05.2013 to companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year and neither does it have any debentures outstanding at the year-end.
20. The company has not raised any money by way of public issue during the year.
21. The Company has detected a shortage of Stock of 45 MT, valued Rs.128.13 lacs of Flax Yarn during the year 2012-13 which has been adjusted in the books during the previous year and a shortage of stock of 33 MT, valued Rs.211.29 lacs of Flax Yarn during the year which has been adjusted in the books. According to all information and explanations given to us, we have not come across any fraud by the Company, noticed or reported during the year.

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

Kolkata,
Dated: 30 May 2014.

AI CHAMPDANY INDUSTRIES LIMITED
BALANCE SHEET AS AT 31 MARCH 2014

Rs in lacs

	Notes	As at 31st March	
		2014	2013
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	1,991.76	1,857.61
Reserves and Surplus	3	9,053.99	8,598.51
Money received against share warrants		—	137.51
Non - Current Liabilities			
Deferred Tax Liabilities (Net)		106.98	140.13
Other Long Term Liabilities	4	1,989.01	2,013.01
Current Liabilities			
Short Term Borrowings	5	9,480.01	9,651.17
Trade Payables	6	5,258.19	3,767.94
Other Current Liabilities	7	1,980.95	2,002.26
Short Term Provisions	8	417.19	355.53
TOTAL		30,278.08	28,523.67
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets	9	8,635.33	8,706.41
Capital work in progress		1,269.57	1,270.38
Non Current Investments	10	884.74	890.99
Current Assets			
Inventories	11	14,457.61	13,356.68
Trade Recievables	12	3,137.20	2,666.58
Cash and Cash Equivalents	13	24.39	85.97
Short Term Loans and Advances	14	1,869.24	1,546.66
TOTAL		30,278.08	28,523.67
Significant Accounting Policies	1		
Accompanying notes form integral part of the financial statements .		On behalf of the Board	
In terms of our report of even date attached.			
For D.P. Sen & Co.			
Chartered Accountants		B. Wadhwa	
FRN 301054E		N. Pujara	
S. K. Nayak		Directors	
Partner			
Membership No.58711		Swaroop Saha	
Kolkata, 30th May 2014		Company Secretary	
		Prakash Nagar	
		Vice President (F & A) &	
		Chief Financial Officer	

AI CHAMPDANY INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

Rs in lacs

	Notes	2013-14	2012-13
INCOME			
Revenue from Operations	15	33,520.21	35,166.61
Other Income	16	536.79	226.64
		34,057.00	35,393.25
EXPENSES			
Cost of Materials Consumed	17	18,840.71	19,207.62
Changes in Inventories of Finished Goods			
Work-in Progress and Stock in Trade	18	(1,363.78)	(434.41)
Employee benefits Expense	19	9,127.87	8,536.45
Finance Cost	20	946.06	905.50
Depreciation and Amortization Expenses	9	758.20	788.90
Less: Depreciation on Amount Added On Revaluation		(66.25)	(77.48)
Less: Recoupment from Capital Reserves		(12.39)	(17.25)
Other Expenses	21	5,739.08	6,404.21
		33,969.50	35,313.54
Profit Before Exceptional Items		87.50	79.71
Exceptional Items		-	-
Profit Before Tax		87.50	79.71
Tax Expenses			
Current Tax/MAT		19.44	17.91
MAT Credit Available		(17.04)	-
Deferred Tax (Asset)		(33.15)	(25.41)
Profit After Tax		118.25	87.21
Adjustment Relating to earlier year (Taxes)		-	(44.09)
Profit after adjustment Relating to earlier years		118.25	43.12
Earnings per share (face value of Rs 5 each)			
Basic (Re)		0.43	0.17
Diluted (Re)		0.43	0.16
Significant Accounting Policies	1		

Accompanying notes form integral part of the financial statements

On behalf of the Board

In terms of our report of even date attached.

For D.P. Sen & Co.

Chartered Accountants

FRN 301054E

S. K. Nayak

Partner

Membership No.58711

Kolkata, 30th May 2014

Swaroop Saha
Company Secretary
& Compliance Officer

Prakash Nagar
Vice President (F & A) &
Chief Financial Officer

B. Wadhwa
N. Pujara Directors

AI CHAMPDANY INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

Rs in lacs

	2013-14	2012-13
A. Cash flow from Operating activities :		
Profit before Taxation	87.50	79.71
Add:- Adjustments for :		
Depreciation and Amortisation	679.56	694.17
Dividend from Investments	(2.53)	(2.28)
Profit on sale of Investment	(22.13)	-
Interest and Finance Charges	946.06	905.50
Interest Income	(226.20)	(0.04)
Surplus (Net) on disposal of Fixed Assets	(14.51)	(0.44)
	1,360.25	1,596.91
Operating Profit before Working Capital Changes	1,447.75	1,676.62
Add/(Less):- Adjustments for :		
(Increase)/Decrease in Inventories	(1,100.93)	(315.04)
(Increase)/Decrease in Trade and Other Receivables	(793.20)	223.64
(Decrease)/Increase in Trade Payables and other Liabilities	1,874.90	416.21
	(19.23)	324.81
Cash Generated from Operations :	1,428.52	2,001.43
Direct Taxes paid	(28.32)	(28.80)
Interest Paid	(936.45)	(907.04)
	(964.77)	(935.84)
Net Cash from / (used in) Operating Activities	463.75	1,065.59
B. Cash flow from Investing Activities :		
Purchase of Fixed Assets	(695.10)	(850.34)
Sale /Adjustment of Fixed Assets	23.30	14.32
Sale of Investment	28.38	3.60
Interest Received	226.20	0.04
Dividend Received	2.53	2.28
Net Cash from / (used in) Investing Activities	(414.69)	(830.10)
C. Cash flow from Financing Activities :		
Proceeds from Share Capital/Warrants	412.51	589.49
Repayments of Loans	(351.99)	(468.68)
Increase / (Decrease) in Bank Borrowings	(171.16)	(13.16)
Dividend Paid	-	(54.18)
Tax on Dividend Paid	-	(8.70)
Repayment of Preference Shares	-	(220.00)
Net Cash from / (used in) Financing Activities	(110.64)	(175.23)
Net increase / (decrease) in Cash and Cash Equivalents (A-B-C)	(61.58)	60.26
Cash and Cash Equivalents as at 1 April 2013	85.97	25.71
Cash and Cash Equivalents as at 31 March 2014	24.39	85.97
In terms of our report of even date attached	On behalf of the Board	
For D.P. Sen & Co.		
Chartered Accountants		
FRN 301054E		
S. K. Nayak		
Partner		
Membership No.58711		
Kolkata, 30th May 2014		
	Swaroop Saha	Prakash Nagar
	Company Secretary	Vice President (F & A) &
	& Compliance Officer	Chief Financial Officer
	B. Wadhwa	Directors
	N. Pujara	

AI CHAMPDANY INDUSTRIES LIMITED

NOTES ON ACCOUNTS

1. Significant Accounting Policies :

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

1.1. Accounting Convention :

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

1.2. Fixed Assets:

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

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

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

1.3. Depreciation :

(A) Depreciation on Fixed Assets 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 and Electrical Installation

Unit at Jagatdal

(a) Straight Line Method

i) Certain specified items (included in electrical installation)

– Additions for the period 1.1.71 to 31.3.87 * 5.25%

ii) Plant and Machinery and Electrical Installation

(other than (i) above)

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

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

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

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

(b) Reducing Balance Method

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

Other Units

(i) Reducing Balance Method

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

(ii) Straight Line Method

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

On assets acquired after 30 September 1986 At rates prescribed in Schedule XIV of the Companies Act 1956.

2) Other assets on reducing balance Method

At rates prescribed in Schedule XIV of the Companies Act 1956

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

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

1.4. Investments :

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

1.5. Inventories :

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

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

1.6. Capital Subsidy :

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

1.7. Miscellaneous expenses :

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

1.8. Foreign Currency transactions :

- i) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are translated at closing spot rates on the last day of the year.
- ii) The difference in translation in monetary assets and liabilities and realised gains and losses in foreign exchange transactions other than those relating to fixed assets are recognised in the Statement of Profit and Loss.
- iii) Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets.

1.9. Sales :

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

1.10. Related Income :

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

1.11. Retiral benefits :

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

Retirement benefits including gratuity are provided for in the Books of Accounts on the basis of actuarial valuation except 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 Statement of Profit and Loss 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 recognized on receipt/assessment of related claim from Insurance Authorities.

1.16. Intangible Assets :

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

2 SHARE CAPITAL

		Rs in lacs		
		Par Value	31.03.2014	31.03.2013
2.1	Authorised	Rs		
	40,000,000 Equity Shares	5	2,000.00	2,000.00
	3,000,000 Preference Shares	10	300.00	300.00
	24,000,000 Preference Shares	5	1,200.00	1,200.00
			<u>3,500.00</u>	<u>3,500.00</u>
Issued,Subscribed and fully paid				
	27,420,831 (Previous year 24,737,786) Equity Shares	5	1,371.04	1,236.89
	12,414,353 2% Preference Shares	5	620.72	620.72
			<u>1,991.76</u>	<u>1,857.61</u>

2.2 2,683,045 equity shares has been allotted on 15.05.2013 and 2,204,786 equity shares has been allotted on 25.09.2012 to promoter group companies on preferential basis under SEBI(ICDR) Regulation 2009 with a locking period 3 years. Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up. The Company has allotted 2,200,000 7% Cumulative Preference Shares of Rs 10 each on 25.09.04. which are redeemable at par on or before the expiring of 20 years from the date of allotment has been redeemed during the year 2012-13. The company has allotted 12,414,353 non-convertible 2% Cumulative Preference Shares of Rs 5 each on 30.03.2010 which are redeemable at par on or before fifteen years from the date of allotment with a locking period of 3 years. Preference shareholders are entitled to get fixed rate of dividend in preference to the equity share but are not entitled to vote at General Meeting of the Company unless dividend has been in arrears for the prescribed minimum period.

2.3 Reconciliation of number of shares

	Equity shares of Rs. 5 each	Rs in lacs	7% Cumulative Preference shares of Rs.10 each	Rs in lacs	2% Cumulative Preference shares of Rs. 5 each	Rs in lacs
Outstanding as at April1,2012	22,533,000	1,126.65	2,200,000	220.00	12,414,353	620.72
Issued and Alloted (Redeemed) during the Previous Year	2,204,786	110.24	(2,200,000)	(220.00)	—	—
Outstanding as at March 31/April 1, 2013	24,737,786	1,236.89	—	—	12,414,353	620.72
Issued and Alloted/ (Redeemed) during the Year	2,683,045	134.15	—	—	—	—
Outstanding as at March 31, 2014	27,420,831	1,371.04	—	—	12,414,353	620.72

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

		31.03.2014		31.03.2013			
		No of Shares	% Holding	No of Shares	% Holding		
I.	Equity Shares of Rs. 5 each						
	Aldgate International S A	4,266,666	15.56	4,266,666	17.25		
	Blancatex A G	4,266,666	15.56	4,266,666	17.25		
	Rishra Investments Ltd	3,837,952	14.00	2,734,876	11.06		
	Shibir India Ltd	2,951,595	10.76	2,103,269	8.50		
	Damodardas Jerambhai Wadhwa	2,645,642	9.65	2,645,642	10.69		
	Amar Investments Ltd	2,545,619	9.28	1,813,976	7.33		
	Canara Bank	1,949,332	7.11	1,949,332	7.88		
II.	2% Cumulative Preference Shares of Rs 5 each						
	G Jerambhai Exports Ltd	4,927,605	39.69	4,927,605	39.69		
	Damodardas Jerambhai Wadhwa	2,645,642	21.31	2,645,642	21.31		
	Canara Bank	1,949,332	15.70	1,949,332	15.70		
	Gordhandas Jerambhai Wadhwa	1,189,300	9.58	1,189,300	9.58		
Rs in lacs							
3	Reserves and Surplus	01.04.2012	Add (Less) during the year	31.03.2013	Addition during the year	Adjustment during the year	31.03.2014
	Security Premium Reserve	2,464.00	341.74	2,805.74	415.87	—	3,221.61
	Capital Reserve	54.15	(17.25)	36.90	—	(12.39)	24.51
	Capital Redemption Reserve	75.00	60.00	135.00	115.00	—	250.00
	Revaluation Reserve	3,380.59	(658.86)	2,721.73	—	(66.25)	2,655.48
	General Reserve	2,887.66	—	2,887.66	—	—	2,887.66
	Deferred Tax Reserve	8.53	—	8.53	—	—	8.53
	Surplus	82.19	(79.24)	2.95	118.25	(115.00)	6.20
	Dividend Tax	8,952.12	(353.61)	8,598.51	649.12	(193.64)	9,053.99
Rs in lacs							
4	Other Long Term Liabilities			31.03.2014			31.03.2013
	Unsecured Loans						
	From Bodies Corporate			290.00			290.00
	Interest accrued and due			29.01			29.01
				319.01			319.01
	Other Payable			1,670.00			1,694.00
				1,989.01			2,013.01

5 Short Term Borrowing-From Banks-Secured*

		<u>Rs in lacs</u>
	<u>31.03.2014</u>	<u>31.03.2013</u>
- Loan repayable on demand	7,280.01	6,878.40
-Cash Credit/PackingCredit Accounts	2,200.00	600.00
-Working Capital Demand / Term Loan	-	2,172.77
-Others	<u>9,480.01</u>	<u>9,651.17</u>

* 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, and also by way of second charge on 100% shareholding of Champdany Constructions Ltd, a wholly owned subsidiary of the company.

		<u>Rs in lacs</u>
	<u>31.03.2014</u>	<u>31.03.2013</u>
6 Trade Payables	3,227.57	937.91
Acceptances	2,030.62	2,830.03
Others	<u>5,258.19</u>	<u>3,767.94</u>

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

		<u>Rs in lacs</u>
	<u>31.03.2014</u>	<u>31.03.2013</u>
7 Other Current Liabilities	-	351.99
Current maturities of long term loan	10.85	1.24
Interest accrued but not due on borrowings	330.67	206.41
Advance from Customers	547.09	632.71
Employees benefit liabilities	4.31	5.37
Unpaid Dividend	0.12	0.12
Fractional Share amount	0.56	0.56
Redemption of Preference Shares	100.31	55.03
Security Deposits	987.04	748.83
Others	<u>1,980.95</u>	<u>2,002.26</u>

		<u>Rs in lacs</u>
	<u>31.03.2014</u>	<u>31.03.2013</u>
8 Short Term Provisions	348.40	260.82
Short term employees benefits	68.79	94.71
Provision for taxation (net)	<u>417.19</u>	<u>355.53</u>

9 FIXED ASSETS

	Rs in lacs										
	GROSS BLOCK AT COST / VALUATION					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1 April 2013	Additions during the year	Sales / Adjustments during the year	As at 31 March 2014	As at 1 April 2013	For the year	On assets sold/adjusted during the year	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013	
Tangible Assets											
Freehold Land	2,590.98	–	–	2,590.98	–	–	–	–	2,590.98	2,590.98	
Leasehold Land	197.34	–	–	197.34	34.21	2.24	–	36.45	160.89	163.13	
Buildings	4,976.40	75.63	5.81	5,046.22	3,608.02	114.31	3.51	3,718.82	1,327.40	1,368.38	
Plant & Equipment	22,772.27	619.16	15.74	23,375.69	18,224.94	632.91	9.28	18,848.57	4,527.12	4,547.33	
Vehicles	76.45	0.11	2.28	74.28	66.00	2.84	2.28	66.56	7.72	10.45	
Furniture and Fixtures	89.09	–	–	89.09	79.75	1.69	–	81.44	7.65	9.34	
Office Equipments	198.07	1.01	0.58	198.50	181.27	4.21	0.55	184.93	13.57	16.80	
Total	30,900.60	695.91	24.41	31,572.10	22,194.19	758.20	15.62	22,936.77	8,635.33	8,706.41	
As at 31 March 2013	30,637.70	876.34	613.44	30,900.60	21,423.46	788.90	18.17	22,194.19	8,706.41		

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

	<u>31.03.2014</u>	<u>Rs in lacs</u> <u>31.03.2013</u>
10 Non Current Investment(held at cost unless stated otherwise)		
Trade Investment		
Investment in Equity Instruments		
Fully paid		
Woolcombers of India Limited (in liquidation) (held other than cost)	—	—
1,63,592 Equity Shares of Rs 10 each in, Re.1 (Previous Year Re.1)		
Other Investment		
Investment in Equity Instruments fully paid		
Quoted		
Tata Global Beverages Limited,		
25,500 (previous year 33,650) Equity Shares of Re.1 each	0.02	0.02
UCO Bank		
15,000 Equity Shares of Rs. 10 each	4.49	4.49
Oil Country Tubular Limited,		
40,000 Equity Shares of Rs. 10 each	8.78	8.78
Shree Rama Newsprint Limited.		
10,000 Equity Shares of Rs.10 each	5.88	5.88
Fresenius Kabi Oncology Limited		
Nil (Previous year 12,500) Equity Shares of Re. 1 each	—	6.25
Aptech Limited,		
10,300 Equity Shares of Rs. 10 each	3.67	3.67
Unquoted		
Champany Constructions Limited.(Subsidiary)		
81,01,959 Equity Shares of Rs.10 each	812.20	812.20
West Bengal Multifiber Jute Park Limited		
9,000 Equity Shares of Rs.10 each	0.90	0.90
Landale & Clark Limited (Subsidiary)		
20,000 Equity Shares of Rs. 100 each	43.25	43.25
A I C Properties Limited (Subsidiary)		
50,000 Equity Shares of Rs.10 each	5.00	5.00
Naffar Chandra Jute Mills Limited.		
50,000 Equity Shares of Rs.10 each	0.10	0.10
Woodlands Multispeciality Hospital Limited		
3,600 Equity Shares of Rs.10 each	0.36	0.36
Wellington Jute Mills Employees' Consumers		
Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	0.03	0.03
Anglo India Employees		
Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	0.02	0.02
Investment in Government Securities		
National Savings Certificate (VIII) Issue	0.04	0.04
	<u>884.74</u>	<u>890.99</u>
1) Aggregate amount of quoted investment	22.84	29.09
2) Aggregate market value of quoted investment	73.89	50.00
3) Aggregate amount of unquoted investment	861.90	861.90

	<u>31.03.2014</u>	<u>Rs in lacs</u> <u>31.03.2013</u>
11. Inventory (Please refer Note 1.5 for accounting policy for valuation)		
Raw Materials	1,565.57	1,950.48
Work-in-Process	1,524.66	1,330.88
Finished Goods	10,400.88	9,263.53
Stock- in-Trade	32.65	–
Stores and Spares	901.95	779.89
Others	31.90	31.90
	<u>14,457.61</u>	<u>13,356.68</u>
1) Raw materials include material in transit	9.07	–
2) Finished goods include material in transit	157.04	283.01
3) Stock in Trade includes material in transit	32.65	–
	<u>31.03.2014</u>	<u>Rs in lacs</u> <u>31.03.2013</u>
12 Trade Receivables(Unsecured, considered good)		
Outstanding for a period of above 6 months	195.68	114.93
Others	2,941.52	2,551.65
	<u>3,137.20</u>	<u>2,666.58</u>
	<u>31.03.2014</u>	<u>Rs in lacs</u> <u>31.03.2013</u>
13 Cash and Cash Equivalents		
Balance with banks	15.79	72.68
Cash in hand	8.60	13.29
	<u>24.39</u>	<u>85.97</u>
Balance with bank includes		
-in unpaid dividend account	4.31	5.37
-in redemption cum unpaid dividend account	0.56	0.56
-in fractional share account	0.12	0.12
	<u>31.03.2014</u>	<u>Rs in lacs</u> <u>31.03.2013</u>
14 Short Term Loans and Advances (Unsecured, considered good)		
Security Deposit	45.44	60.84
Claim receivables	1,241.75	1,246.32
Prepaid expenses	59.53	22.34
Loan to employees	8.80	7.57
Other Loans and Advances	513.72	209.59
	<u>1,869.24</u>	<u>1,546.66</u>
Maximum outstanding balance of interest free loans to employees during the yearRs- 10.36 lacs(Previous year Rs-12.51 lacs)		
	<u>2013-14</u>	<u>Rs in lacs</u> <u>2012-13</u>
15 Revenue from operations		
Sale of Products, Services and Related Income	33,817.42	35,420.45
Less-Excise duty and Cess	297.21	253.84
	<u>33,520.21</u>	<u>35,166.61</u>

		2013-14	Rs in lacs 2012-13
16	Other Income		
	Interest Income	226.20	0.04
	Profit on sale of fixed assets	14.51	0.44
	Insurance Claims	0.51	4.98
	Dividend Income	2.53	2.28
	Profit on sale of Investment	22.13	—
	Rent Received	253.23	209.64
	Miscellaneous Income	1.90	3.74
	Liabilities no longer required written back	15.78	5.52
		<u>536.79</u>	<u>226.64</u>
		2013-14	Rs in lacs 2012-13
17	Cost of Material Consumed		
	Jute , Flax Fibres and Other Materials	18,840.71	19,207.62
		2013-14	Rs in lacs 2012-13
18	Changes in Inventories		
	Opening stock		
	Finished Goods	9,263.53	8,624.29
	Work-in-Process	1,330.88	1,508.74
	Stock- in-Trade	—	26.97
		(A) <u>10,594.41</u>	<u>10,160.00</u>
	Closing Stock		
	Finished Goods	10,400.88	9,263.53
	Work-in-Process	1,524.66	1,330.88
	Stock- in-Trade	32.65	—
		(B) <u>11,958.19</u>	<u>10,594.41</u>
		(A-B) <u>(1,363.78)</u>	<u>(434.41)</u>
		2013-14	Rs in lacs 2012-13
19	Employee Benefits Expenses		
	Salaries, Wages and Bonus	7,977.70	7,615.01
	Contribution to Provident and other Funds	1,074.34	849.70
	Employees welfare expenses	75.83	71.74
		<u>9,127.87</u>	<u>8,536.45</u>
		2013-14	Rs in lacs 2012-13
20	Finance Cost		
	Interest expenses		
	Fixed loans	167.54	122.69
	Others	778.52	782.81
		<u>946.06</u>	<u>905.50</u>
		2013-14	Rs in lacs 2012-13
21	Other Expenses		
	Stores and spares consumed	1,063.62	1,388.46
	Other Consumption	2.29	13.86
	Power and fuel	2,131.70	2,164.94
	Processing expenses	287.75	387.47
	Repairs to building	15.75	21.43
	Repairs to machinery	2.99	12.22
	Repairs (others)	2.39	3.40
	Insurance	103.52	104.04
	Rates and Taxes	34.32	64.24
	Export Freight	214.13	246.60
	Transport and handling	1,160.02	1,358.27
	Brokerage ,commission and export expenses	138.40	5.48
	Bank charges	77.91	199.39
	Discounting charges on export bills	54.48	45.41
	Rent	33.98	23.33
	Auditors Remuneration	3.00	3.00
	Director's Fees	4.05	3.83
	Miscellaneous expenses	408.78	358.84
		<u>5,739.08</u>	<u>6,404.21</u>

22. During the year 2013-14 Fixed Assets of Rs.2.29 lacs has been transferred to stock in trade in respect of Building at Narayanpur.

	Year ended 31.03.14	Rs in lacs Year ended 31.03.13
23. Estimated amount of contract remaining to be executed on capital account not provided for	52.48	54.20
24. (i) Contingent liabilities in respect of :		
a) Bank Guarantees	1,978.44	1,826.16
b) Bank Guarantees issued on pledge of shares by other companies	432.54	432.54
c) Claims for Commercial Taxes and Income Tax not acknowledged as debt and under appeal	693.10	476.15
d) Other claims not acknowledged as debt	485.93	373.45
e) Bills drawn on customers and discounted with banks and advances against collection	649.98	665.65
(ii) Dividend on Cumulative Preference Shares are in arrears since 30 March 2010, Rs.58.18 lacs (previous year Rs. 43.65 lacs) including Dividend Distribution Tax Rs.8.45 lacs (previous year Rs. 6.34 lacs).		
25. The Company has allotted 2,683,045 nos of Equity Shares of face value of Rs. 5/- each on conversion of 2,683,045 nos of convertible share warrants at a price of Rs.20.50 (including premium of Rs.15.50 per warrant), 25% paid up during the previous year and 75% paid during the year with the right to convert each warrant into one fully paid up Equity share of face value of Rs.5/- not before 31.03.2013 and not later than 18 months from the date of allotment of convertible warrants i.e. within 25.03.2014. These shares on conversion of warrants were allotted to promoter group companies on 15.05.2013 on preferential basis under SEBI (ICDR) Regulation 2009, with a lock in period of 3 years.		
26. Revenue from operations comprises of Sale of Jute / Jute diversified Products & Services Rs.27,852.45 lacs (2012-13 - Rs.32,117.64 lacs), Sale of Flax Products Rs. 2,839.52 lacs (2012-13 - Rs. 1,590.85 lacs), Sale of Raw Jute Rs. 2,595.19 lacs (2012-13 -Rs. 1131.32 lacs), Sale of Flax Fibre Rs.35.07 lacs (2012-13 - Rs.30.57 lacs) and Sales Related Income Rs.495.19 lacs (2012-13- Rs. 550.07 lacs).		
27. Jute Carpets / Jute diversified Products & Services have been treated as belonging to the same class as Jute / Jute Diversified Products & Services.		
28. Inventory comprises of Stock of Finished goods and in trade of Jute / jute diversified Products & Services (Packed/ unpacked) Opening Stock Rs.8,493.80 lacs (2012-13 - Rs. 7,643.46 lacs) Closing Stock Rs.9,822.77 lacs (2012-13 - Rs. 8,493.80 lacs). Stock of Finished goods and in trade of Flax Products (Packed/ unpacked) Opening Stock Rs.769.73 lacs (2012-13 - Rs. 1,016.80 lacs) Closing Stock Rs. 610.76 lacs (2012-13 - Rs. 769.73 lacs). Shortage of 33 MT, valued Rs.211.29 lacs of flax yarn was found upon physical verification as on 31 March 2014 and such shortage has been adjusted during the year 2013-14.		

	Rs. in lacs			
	Jute/ Jute diversified Products & Services		Flax Products	
	Year ended 31.03.14	Year ended 31.03.13	Year ended 31.03.14	Year ended 31.03.13
29. C.I.F. Value of imports during the year				
a) Raw Material	2,255.36	3,826.49	1,014.67	1,076.48
b) Component of Stores & Spares parts	-	13.38	43.70	16.46
c) Capital Goods	-	32.94	-	-

		<u>Rs. in lacs</u>
	Year ended <u>31.03.14</u>	Year ended <u>31.03.13</u>
30. Expenditure in Foreign Currency - other matter	83.02	23.23
		<u>Rs. in lacs</u>
	Year ended <u>31.03.14</u>	Year ended <u>31.03.13</u>
31. Earnings in Foreign Exchange (Export on FOB basis)		
(a) Jute/Jute diversified Products & Services	5,508.55	6,265.00
(b) Flax Products	86.86	89.33
	<u>5,595.41</u>	<u>6,354.33</u>

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

	<u>2013-14</u>		<u>2012-13</u>	
	% to total consumption	Rs. in lacs	% to total consumption	Rs. in lacs
Imported	19.10	2,846.09	19.16	3,034.46
Indigenous	<u>80.90</u>	<u>12,054.29</u>	<u>80.84</u>	<u>12,801.52</u>
	<u>100</u>	<u>14,900.38</u>	<u>100</u>	<u>15,835.98</u>

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

	<u>2013-14</u>		<u>2012-13</u>	
	% to total consumption	Rs. in lacs	% to total consumption	Rs. in lacs
Imported	90.71	1,484.84	94.03	1,001.56
Indigenous	<u>9.29</u>	<u>152.11</u>	<u>5.97</u>	<u>63.56</u>
	<u>100</u>	<u>1,636.95</u>	<u>100</u>	<u>1,065.12</u>

33. Raw material consumed - i) Jute/Jute yarn Rs. 13,984.06 lacs (2012-13 - Rs. 14,509.07 lacs)
ii) Flax fibre, Rs. 1,489.65 lacs (2012-13 - Rs. 1,003.57 lacs).
34. Cost of materials consumed includes purchase of (i) Jute goods for Trading Rs.753.16 lacs (2012-13 - Rs. 2,523.56 lacs) and (ii) Raw materials for Trading Rs. 2,613.84 lacs (2012-13 -Rs. 1,171.42 lacs).
35. Segment Information :
- The Company has considered two Business Segments viz; Jute/jute diversified Products & Services and Flax Products.

A. Primary Segment Disclosure

Rs. in lacs

Particulars	Jute/Jute diversified products & Services		Flax Products		Total	
	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13
Segment Revenue						
External Turnover	30,509.83	33,503.88	3,010.38	1,662.73	33,520.21	35,166.61
Other Income	285.93	224.27	-	0.05	285.93	224.32
Segment Result	406.32	967.97	376.38	14.92	782.70	982.89
Unallocated					24.66	2.28
Operating Profit					807.36	985.17
Finance Cost					946.06	905.50
Interest Income					226.20	0.04
Income Taxes					(30.75)	36.59
Net Profit					118.25	43.12
Other Information						
Segment Assets	26,440.52	24,204.62	2,952.82	3,428.06	29,393.34	27,632.68
Unallocated					884.74	890.99
Total Assets					30,278.08	28,523.67
Segment Liabilities	17,802.14	15,700.97	1,254.42	1,994.23	19,056.56	17,695.20
Unallocated					175.77	234.84
Total Liabilities					19,232.33	17,930.04
Capital Expenditure	481.20	796.11	213.90	54.23	695.10	850.34
Depreciation	580.77	605.24	111.18	106.18	691.95	711.42
Amortization	0.14	5.00	12.25	12.25	12.39	17.25

B. Information about Secondary Segments

- a) Revenue & Sundry Debtors as per Geographical Markets

Rs. in lacs

Particulars	Revenue		Sundry Debtors	
	31.03.14	31.03.13	31.03.14	31.03.13
India	28,263.11	28,801.34	2,943.96	2,545.67
Outside India	5,793.89	6,591.91	193.24	120.91
Total	34,057.00	35,393.25	3,137.20	2,666.58

- 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.

Rs. in lacs

	Year ended 31.03.14	Year ended 31.03.13
36. Deferred Tax :		
i) Liability at the beginning of the year	140.13	165.54
(ii) Difference between book & tax depreciation	(33.15)	(25.41)
(iii) Deferred tax liability at the end of the year	106.98	140.13

37. Related Party Disclosures :

- (a) List of Related Parties and Relationships :

Party	Relationship
a) Landale & Clark Limited	Subsidiary-100%
b) Champdany Constructions Limited	Subsidiary 100%
c) AIC Properties Limited	Subsidiary 100%
d) 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 Limited			
Rent Paid	3.15		3.15
	(3.15)		(3.15)
Reimbursement of Expenses	1.29		1.29
	(1.25)		(1.25)
Credit Balance Outstanding as at 31 March 2014	4.01		4.01
	(2.24)		(2.24)
ii) Champdany Constructions Limited			
Advance paid and refunded	0.03		0.03
	(3.35)		(3.35)
Purchase of Raw Material	20.99		20.99
	(_)		(_)
Credit Balance Outstanding as at 31 March 2014	20.99		20.99
	(_)		(_)
iii) AIC Properties Limited			
Interest paid	0.20		0.20
	(0.20)		(0.20)
Credit Balance Outstanding as at 31 March 2014	2.12		2.12
	(2.20)		(2.20)
iv) Mr. Nirmal Pujara			
Remuneration paid (whole time Director)		28.43	28.43
		(28.21*)	(28.21*)

*Includes Rs.6.65 lacs for arrear leave encashment

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

	<u>Year ended</u> <u>31.03.14</u>	<u>Rs. in lacs</u> <u>Year ended</u> <u>31.03.13</u>
38. Auditors' Remuneration		
As Audit Fees	1.50	1.50
Tax Audit	0.35	0.35
Corporate Governance	0.12	0.12
Consolidated Financial Statement	0.13	0.13
Limited Review	0.90	0.90
	<u>3.00</u>	<u>3.00</u>
		<u>Rs. in lacs</u>
	<u>Year ended</u> <u>31.03.14</u>	<u>Year ended</u> <u>31.03.13</u>
39. Earning Per Share (EPS) has been computed as under :		
a) Profit after Tax (Rs. in lacs).	118.25	43.12
b) No. of Equity shares		
Basic	27,420,831	24,737,786
Weighted	27,420,831	27,420,831
c) Earning per share (Face Value Rs.5) (a) / (b)}		
Basic	0.43	0.17
Diluted	0.43	0.16

40. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8 February 2011 and 21 February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act 1956 subject to fulfillment of conditions stipulated in the circular. The company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to subsidiary has been included in the consolidated financial statement.
41. Narayanpur and Shalimar Units have been closed with due process of law. Operations at Yarn Unit at Konnagar continued to be under suspension. Working at Yarn Unit and Libra Carpet Unit at Choudwar have been suspended from 28 December 2005 and 1 May 2006 respectively. Weaving Unit at Konnagar is under suspension of work since 6 February 2014. Management is of the view that the sale proceeds of the Fixed Assets relating to the Narayanpur, Choudwar, Konnagar and Shalimar Units would not be lower than the amount at they are carried in the books. The carrying values of assets of the cash generating units at Balance Sheet date are reviewed for impairment and management is of the view that there is no impairment exists. This has been relied upon by the Auditors'.
42. The Company's application to the Competent Authority for exemption from the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 is pending approval.
43. The Company has maintained separate books of account for Wellington Jute Mills, Weaving and Yarn Units at Rishra, Middle Mill, Fine Yarn and Flax Units at Jagatdal and Yarn and Weaving Units at Konnagar, Beldanga, Narayanpur, Shalimar and Kankinara Units at West Bengal and Libra Carpet and Yarn Units at Choudwar, Odhisa.
44. As approved by the shareholders at the Annual General Meeting of the company held on 29 July 2008, the face value has been subdivided from one Equity Share of Rs.10/- each into two Equity shares of Rs.5/- each with effect from 19 September 2008.
45. In accordance with the policy consistently followed by the company, the outstanding commodity hedging contracts are accounted on the date of their settlement and realised gain / loss in respect of settled contracts are recognised in the Statement of Profit and Loss, along with the underlying transactions. However, the Company has not entered any hedging contracts as such there is no implication.
46. In respect of the fire occurred on 21 January 2011 at Wellington Jute Mill, Rishra, the final assessment to the damage caused to Assets is yet to be completed by the insurance authorities. Pending such assessments, no adjustment has been made to the accounts to the extent of estimated loss of goods – 565 MT - Rs.388.36 lacs.
The company has filed necessary claims with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claims.
47. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. Accordingly, gratuity are accounted for in the books of accounts on accrual basis based on actuarial valuation except for gratuity for one unit of the company from 1997-98 to 2006-07 treated on cash basis and liability for the said period is not ascertained, but from financial year 2007-08 provided on accrual basis.
48. 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.
49. By an Order passed by the Hon'ble Division Bench of the High Court at Calcutta, six winding-up matters were relegated to Civil Suits for a claim of Rs.319 lacs of the erstwhile promoters of Anglo-India Jute Mills Co Ltd (now AI Champdany Industries Ltd), being the unsecured loan disputed by the Company. As per direction of the High Court, Calcutta, the Company has provided required securities to the satisfaction of the Registrar, Original Side, Calcutta High Court till the disposal of the suits.
Six suits were filed by the erstwhile promoters by their six respective companies. In the said suits a composite decree to the tune of Rs.2.77 crores is passed. Challenging the said decree six appeals are preferred by AI Champdany Industries Limited which are allowed and the cross appeal filed by respondents are dismissed, and

the entire claim of the six unsecured creditors have been placed for trial. Written statements in six suits have been filed by the company as per order of the Hon'ble Division Bench of Calcutta High Court. Special Leave Petition (SLP) filed before the Hon'ble Supreme Court by six companies of erstwhile promoters of AIJM against the order passed by the Division Bench of the Hon'ble High Court at Calcutta. Hon'ble Supreme Court dismissed the SLP filed by six companies of erstwhile promoters of AIJM. The suits (six in nos) are pending adjudication and trial before the Hon'ble High Court at Calcutta.

50. The Company has obtained possession of its flat at Woodland Syndicate as per the Order of the Court. The Company has filed an Application for final decree for mesne profits for wrongful occupation of the flat, before the Learned Civil Judge, Senior Division, 1st Court at Alipore, 24 Parganas (South), which is directed to attach with the suit proceeding. The decree passed in favour of the Company was challenged in the Hon'ble High Court and the same was dismissed on merits.
51. The Company has received consent from shareholders on 14 March 2014 by way of postal ballot, for sale of one of the undertakings namely Anglo-India Jute Mill (Middle Mill) located at Jagatdal, District. 24 Parganas (North), West Bengal. The matter is under process.
52. Previous year's figures have been rearranged / reclassified / regrouped wherever necessary and to make it in conformity with the amended Schedule VI to the Companies Act, 1956.

For and on behalf of
For D.P. Sen & Co.
Chartered Accountants
FRN 301054E
S. K. Nayak
Partner
Membership No.58711
Kolkata, 30th May 2014

Swaroop Saha
Company Secretary
& Compliance Officer

Prakash Nagar
Vice President (F & A) &
Chief Financial Officer

On behalf of the Board

B. Wadhwa
N. Pujara Directors

AUDITOR'S REPORT ON CONSOLIDATED ACCOUNTS

TO THE BOARD OF DIRECTORS OF AI CHAMPDANY INDUSTRIES LIMITED

Report on the Consolidated Financial Statements for the year ended 31 March 2014

- A. We have audited the attached Consolidated Balance Sheet of AI Champdany Industries Limited, and its subsidiary, ("the group") as at 31 March 2014, the Statement of Consolidated Profit and Loss of the group for the year then ended on that date and the Consolidated Cash Flow Statement of the group for the year then ended on that date, both annexed thereto and a summary of significant Accounting Policies and other explanatory information.

Management's Responsibility :

- B. Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash Flows of the group in accordance with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act 1956. This responsibility includes the design, implementation and maintenance of Internal Control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility :

- C. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- D. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by

management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

- E. 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.

Opinion :

- F. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of separate audit reports on individual audited financial statements of AI Champdany Industries Limited and its subsidiary, the aforesaid consolidated financial statements together with the notes thereon and attached thereto and the statement on Significant Accounting Policies, *subject to the notes to the Accounts regarding the matters set out in para H below*, give a true and fair view in conformity with accounting principles generally accepted in India.
- a) In the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of the group as at 31 March 2014.
 - b) In the case of the Statement of Consolidated Profit and Loss of the Consolidated Results of operation of the group for the year then ended and
 - c) In case of the Consolidated Cash Flow Statement of the consolidated cash flow of the group for the year then ended.

Other Matters :

- G. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (net) of Rs.890.90 lacs as at 31 March 2014 and total income (net) of Rs2.06 lacs for the year then ended. These financial statements have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
- H. i) *Pending assessment of losses in respect of stocks of finished goods damaged by fire, no adjustment has been made to the accounts as referred to in notes 37 to the Consolidated Accounts;*
- ii) *Non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1 April 1997 to 31 March 2007 in respect of one unit of the company, as referred to in Note 38 to the Consolidated Accounts (relates to erstwhile Anglo-India Jute Mills Company Limited);*
- iii) *Non-provision of possible losses arising from diminution in the year end carrying cost of investments, advances, deposits with companies and Trade receivables as referred to in notes 39 (a) & 39 (b) to the Consolidated Accounts*;*
- iv) *Assets & Liabilities in Bangladesh as at 31 March 2014 could not be verified, as referred to in note 39(c) to the Consolidated Accounts.**

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

Emphasis of Matter

- I. We draw attention to note 39(d) to the Consolidated Accounts on recognition of remission of taxes by Sales Tax Authority (relates to erstwhile Anglo India Jute Mills Company Ltd).

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

Place: Kolkata
Date: 30 May 2014

AI CHAMPDANY INDUSTRIES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2014

Rs in lacs

	Notes	As at 31st March		
		2014	2013	
EQUITY AND LIABILITIES				
Shareholders' Fund				
Share Capital	2	1,991.76	1,857.61	
Reserves and Surplus	3	9,110.85	8,653.31	
Money received against share warrants		—	137.51	
Non - Current Liabilities				
Deferred Tax Liabilities (Net)		106.98	140.13	
Other Long Term Liabilities	4	1,989.01	2,013.01	
Current Liabilities				
Short Term Borrowings	5	9,480.01	9,651.17	
Trade Payables	6	5,510.20	4,299.47	
Other Current Liabilities	7	1,996.81	2,004.23	
Short Term Provisions	8	404.65	341.31	
TOTAL		30,590.27	29,097.75	
ASSETS				
Non - Current Assets				
Fixed Assets	}			
Tangible Assets		9(a)	9,472.71	9,548.03
Intangible Assets		9(b)	32.72	33.96
Assets in Bangladesh			4.30	4.30
Capital work in progress		1,269.57	1,270.38	
Non Current Investments	10	44.48	50.73	
Current Assets				
Inventories	11	14,457.61	13,356.68	
Trade Recievables	12	3,287.93	3,076.11	
Cash and Cash Equivalents	13	25.74	162.43	
Short Term Loans and Advances	14	1,995.21	1,595.13	
TOTAL		30,590.27	29,097.75	
Significant Accounting Policies	1			
Accompanying notes on consolidated accounts form integral part of the consolidated financial statements.				
		On behalf of the Board		
In terms of our report of even date attached.				
For D.P. Sen & Co.				
Chartered Accountants		B. Wadhwa		
FRN 301054E		N. Pujara		
S. K. Nayak		Directors		
Partner				
Membership No.58711		Prakash Nagar		
Kolkata, 30th May 2014		Vice President (F & A) &		
		Chief Financial Officer		
Swaroop Saha				
Company Secretary				
& Compliance Officer				

AI CHAMPDANY INDUSTRIES LIMITED

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014

Rs in lacs

	Notes	2013-14	2012-13
INCOME			
Revenue from Operations	15	33,577.34	35,641.42
Other Income	16	538.46	254.38
		34,115.80	35,895.80
EXPENSES			
Cost of Materials Consumed	17	18,865.42	19,663.45
Changes in Inventories of Finish Goods			
Work-in Progress and Stock in Trade	18	(1,363.78)	(434.41)
Employee benefits Expense	19	9,130.47	8,538.89
Finance Cost	20	945.86	905.30
Depreciation and Amortization Expenses	9	763.68	794.44
Less: Depreciation on Amount Added On Revaluation		(66.25)	(77.48)
Less: Recoupment from Capital Reserves		(12.39)	(17.25)
Other Expenses	21	5,757.03	6,438.04
		34,020.04	35,810.98
Profit Before Exceptional Items		95.76	84.82
Exceptional Items		-	-
Profit Before Tax		95.76	84.82
Tax Expenses			
Current Tax/MAT		21.23	19.16
Deferred Tax (Asset)		(33.15)	(25.41)
MAT Credit Available		(18.41)	(0.71)
Profit After Tax		126.09	91.78
Adjustment Relating to earlier year (Taxes)		(5.78)	(44.21)
Profit after adjustment relating to earlier years		120.31	47.57
Earnings per share (face value of Rs 5 each)			
Basic		0.44	0.19
Diluted		0.44	0.17
Significant Accounting Policies	1		

Accompanying notes on consolidated accounts form integral part of the consolidated financial statements.

On behalf of the Board

In terms of our report of even date attached.

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

S. K. Nayak
Partner
Membership No.58711
Kolkata, 30th May 2014

Swaroop Saha
Company Secretary
& Compliance Officer

Prakash Nagar
Vice President (F & A) &
Chief Financial Officer

B. Wadhwa
N. Pujara
Directors

AI CHAMPDANY INDUSTRIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

Rs in lacs

	2013-14		2012-13
A. Cash flow from Operating activities :			
Profit before Taxation		95.76	84.82
Add:- Adjustments for :			
Depreciation and Amortisation	685.04		699.71
Dividend from Investments	(2.53)		(2.28)
Profit on sale of Investment	(22.13)		-
Interest and Finance Charges	945.86		905.30
Interest Income	(226.24)		(0.10)
Surplus (Net) on disposal of Fixed Assets	(14.51)		(0.44)
		1,365.49	1,602.19
Operating Profit before Working Capital Changes		1,461.25	1,687.01
Add/(Less):- Adjustments for :			
(Increase)/Decrease in Inventories	(1,100.93)		(315.04)
(Increase)/Decrease in Trade and Other Receivables	(611.90)		(74.68)
(Decrease)/Increase in Trade Payables and other Liabilities	1,609.27		815.59
		(103.56)	425.87
Cash Generated from Operations :		1,357.69	2,112.88
Direct Taxes paid	(32.84)		(73.86)
Interest Paid	(936.25)		(906.84)
		(969.09)	(980.70)
Net Cash from / (used in) Operating Activities		388.60	1,132.18
B. Cash flow from Investing Activities :			
Purchase of Fixed Assets	(695.10)		(851.40)
Sale /Adjustment of Fixed Assets	23.30		14.32
Sale of Investment	28.38		3.60
Interest Received	226.24		0.10
Dividend Received	2.53		2.28
Net Cash from / (used in) Investing Activities		(414.65)	(831.10)
C. Cash flow from Financing Activities :			
Proceeds from Share Capital	412.51		589.49
Repayments of Loans	(351.99)		(468.68)
Increase / (Decrease) in Bank and Other Borrowings	(171.16)		(12.31)
Dividend Paid	-		(54.18)
Tax on Dividend Paid	-		(8.70)
Repayment of Preference Shares	-		(220.00)
Net Cash from / (used in) Financing Activities		(110.64)	(174.38)
Net increase / (decrease) in Cash and Cash Equivalents (A-B-C)		(136.69)	126.70
Cash and Cash Equivalents as at 1 April 2013		162.43	35.73
Cash and Cash Equivalents as at 31 March 2014		25.74	162.43

In terms of our report of even date attached.

On behalf of the Board

For D.P. Sen & Co.
Chartered Accountants
FRN 301054E
S. K. Nayak
Partner
Membership No.58711
Kolkata, 30th May 2014

Swaroop Saha
Company Secretary
& Compliance Officer

Prakash Nagar
Vice President (F & A) &
Chief Financial Officer

B. Wadhwa
N. Pujara
Directors

AI CHAMPDANY INDUSTRIES LIMITED

NOTES ON CONSOLIDATED ACCOUNTS

1. Significant Accounting Policies :

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

1.1. Accounting Convention :

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

1.2. Fixed Assets:

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

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

In respect of revalued assets, the difference between the written down 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 and Electrical Installation

Unit at Jagatdal

(a) Straight Line Method

i) Certain specified items (included in electrical installation)

– Additions for the period 1.1.71 to 31.3.87 * 5.25%

ii) Plant and Machinery and Electrical Installation

(other than (i) above)

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

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

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

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

(b) Reducing Balance Method

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

Other Units

(i) Reducing Balance Method

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

(ii) Straight Line Method

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

On assets acquired after 30 September 1986 At rates prescribed in Schedule XIV of the Companies Act 1956.

2) Other assets on reducing balance Method

At rates prescribed in Schedule XIV of the Companies Act 1956

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

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

1.4. Investments :

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

1.5. Inventories :

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

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

1.6. Capital Subsidy :

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

1.7. Miscellaneous expenses :

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

1.8. Foreign Currency transactions :

- i) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are translated at closing spot rates on the last day of the year.
- ii) The difference in translation in monetary assets and liabilities and realised gains and losses in foreign exchange transactions other than those relating to fixed assets are recognised in the Statement of Consolidated Profit and Loss.
- iii) Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets.

1.9. Sales :

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

1.10. Related Income :

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

1.11. Retiral benefits :

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

Retirement benefits including gratuity are provided for in the Books of Accounts on the basis of actuarial valuation except one unit of the company, which 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 Statement of Consolidated Profit and Loss 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 recognized on receipt/assessment of related claim from Insurance Authorities.

1.16. Intangible Assets :

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

2 SHARE CAPITAL

		Rs in lacs		
		Par Value	31.03.2014	31.03.2013
2.1	Authorised	Rs		
	40,000,000 Equity Shares	5	2,000.00	2,000.00
	3,000,000 Preference Shares	10	300.00	300.00
	24,000,000 Preference Shares	5	1,200.00	1,200.00
			<u>3,500.00</u>	<u>3,500.00</u>
Issued,Subscribed and fully paid				
	27,420,831 (Previous Year 24,737,786) Equity Shares	5	1,371.04	1,236.89
	12,414,353 2% Preference Shares	5	620.72	620.72
			<u>1,991.76</u>	<u>1,857.61</u>

2.2 2,683,045 equity shares has been allotted on 15.05.2013 and 2,204,786 equity shares has been allotted on 25.09.2012 to promoter group companies on preferential basis under SEBI(ICDR) Regulation 2009 with a locking period 3 years. Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend and to participate in surplus, if any, in the event of winding up. The Company has allotted 2,200,000 7% Cumulative Preference Shares of Rs 10 each on 25.09.04. which are redeemable at par on or before the expiring of 20 years from the date of allotment has been redeemed during the year 2012-13. The company has allotted 12,414,353 non-convertible 2% Cumulative Preference Shares of Rs 5 each on 30.03.2010 which are redeemable at par on or before fifteen years from the date of allotment with a locking period of 3 years. Preference shareholders are entitled to get fixed rate of dividend in preference to the equity share but are not entitled to vote at General Meeting of the Company unless dividend has been in arrears for the prescribed minimum period.

2.3 Reconciliation of number of shares

	Equity shares of Rs. 5 each	Rs in lacs	7% Cumulative Preference shares of Rs.10 each	Rs in lacs	2% Cumulative Preference shares of Rs. 5 each	Rs in lacs
Outstanding as at April1,2012	22,533,000	1,126.65	2,200,000	220.00	12,414,353	620.72
Issued and Alloted (Redeemed) during the Previous Year	2,204,786	110.24	(2,200,000)	(220.00)	—	—
Outstanding as at March 31/April 1, 2013	24,737,786	1,236.89	—	—	12,414,353	620.72
Issued and Alloted/ (Redeemed) during the Year	2,683,045	134.15	—	—	—	—
Outstanding as at March 31,2014	27,420,831	1,371.04	—	—	12,414,353	620.72

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

	31.03.2014		31.03.2013	
	No of Shares	% Holding	No of Shares	% Holding
I. Equity Shares of Rs. 5 each				
Aldgate International S A	4,266,666	15.56	4,266,666	17.25
Blancatex A G	4,266,666	15.56	4,266,666	17.25
Rishra Investments Ltd	3,837,952	14.00	2,734,876	11.06
Shibir India Ltd	2,951,595	10.76	2,103,269	8.50
Damodardas Jerambhai Wadhwa	2,645,642	9.65	2,645,642	10.69
Amar Investments Ltd	2,545,619	9.28	1,813,976	7.33
Canara Bank	1,949,332	7.11	1,949,332	7.88
II. 2% Cumulative Preference Shares of Rs 5 each				
G Jerambhai Exports Ltd	4,927,605	39.69	4,927,605	39.69
Damodardas Jerambhai Wadhwa	2,645,642	21.31	2,645,642	21.31
Canara Bank	1,949,332	15.70	1,949,332	15.70
Gordhandas Jerambhai Wadhwa	1,189,300	9.58	1,189,300	9.58

		Rs in lacs				
3	Reserves and Surplus	01.04.2012	Add (Less) during the year	31.03.2013	Addition during the year	31.03.2014
					Adjustment during the year	
	Security Premium Reserve	2,464.00	341.74	2,805.74	415.87	3,221.61
	Capital Reserve	64.23	(17.25)	46.98	(12.39)	34.59
	Capital Redemption Reserve	80.00	60.00	140.00	115.00	255.00
	Revaluation Reserve	3,380.59	(658.86)	2,721.73	(66.25)	2,655.48
	General Reserve	2,887.66	—	2,887.66	—	2,887.66
	Deferred Tax Reserve	8.53	—	8.53	—	8.53
	Surplus	115.15	(72.48)	42.67	120.31	47.98
		9,000.16	(346.85)	8,653.31	651.18	9,110.85

		Rs in lacs	
4	Other Long Term Liabilities	31.03.2014	31.03.2013
	Unsecured Loans		
	From Bodies Corporate	290.00	290.00
	Interest accrued and due	29.01	29.01
		319.01	319.01
	Other Payable	1,670.00	1,694.00
		1,989.01	2,013.01

5 Short Term Borrowing-From Banks-Secured*

		Rs in lacs
	31.03.2014	31.03.2013
- Loan repayable on demand		
-Cash Credit/Packing Credit Accounts	7,280.01	6,878.40
-Working Capital Demand / Term Loan	2,200.00	600.00
-Others	-	2,172.77
	<u>9,480.01</u>	<u>9,651.17</u>

* 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, and also by way of second charge on 100% shareholding of Champdany Constructions Ltd, a wholly owned subsidiary of the company.

		Rs in lacs
	31.03.2014	31.03.2013
6 Trade Payables		
Acceptances	3,227.57	937.91
Others	2,282.63	3,361.56
	<u>5,510.20</u>	<u>4,299.47</u>

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

		Rs in lacs
	31.03.2014	31.03.2013
7 Other Current Liabilities		
Current maturities of long term loan	-	351.99
Interest accrued but not due on borrowings	10.85	1.24
Advance from Customers	330.67	206.41
Employees benefit liabilities	547.29	632.93
Unpaid Dividend	4.31	5.37
Fractional Share amount	0.12	0.12
Redemption of Preference Shares	0.81	0.81
Security Deposits	115.91	55.03
Others	986.85	750.33
	<u>1,996.81</u>	<u>2,004.23</u>

		Rs in lacs
	31.03.2014	31.03.2013
8 Short Term Provisions		
Short term employees benefits	348.40	260.82
Provision for taxation (net)	56.25	80.49
	<u>404.65</u>	<u>341.31</u>

9 FIXED ASSETS

	Rs in lacs									
	GROSS BLOCK AT COST / VALUATION						DEPRECIATION / AMORTISATION			
	As at 1 April 2013	Additions during the year	Sales / Adjustments during the year	As at 31 March 2014	As at 1 April 2013		For the year	On assets sold/adjusted during the year	As at 31 March 2014	As at 31 March 2013
9(a) Tangible Assets										
Freehold Land	3,172.27	–	–	3,172.27	–		–	–	–	3,172.27
Leasehold Land	197.34	–	–	197.34	34.21		2.24	–	36.45	163.13
Buildings	5,245.36	75.63	5.81	5,315.18	3,616.65		118.55	3.51	3,731.69	1,628.71
Plant & Equipment	22,773.02	619.16	15.74	23,376.44	18,225.69		632.91	9.28	18,849.32	4,547.33
Vehicles	76.45	0.11	2.28	74.28	66.00		2.84	2.28	66.56	10.45
Furniture and Fixtures	89.67	–	–	89.67	80.33		1.69	–	82.02	9.34
Office Equipments	198.06	1.01	0.58	198.49	181.26		4.21	0.55	184.92	16.80
Total	31,752.17	695.91	24.41	32,423.67	22,204.14		762.44	15.62	22,950.96	9,548.03
As at 31 March 2013	31,488.21	877.40	613.44	31,752.17	21,429.11		793.20	18.17	22,204.14	
9(b) Intangible Assets										
Goodwill	26.41	–	–	26.41	–		–	–	–	26.41
Preliminary Expenses	12.39	–	–	12.39	4.84		1.24	–	6.08	7.55
	38.80	–	–	38.80	4.84		1.24	–	6.08	33.96
As at 31 March 2013	46.42	–	7.62	38.80	5.88		1.24	2.28	4.84	

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

	31.03.2014	Rs in lacs 31.03.2013
10 Non Current Investment(held at cost unless stated otherwise)		
Trade Investment		
Investment in Equity Instruments		
Fully paid		
Woolcombers of India Limited (in liquidation) (held other than cost)	—	—
1,63,592 Equity Shares of Rs 10 each in, Re.1 (Previous Year Re.1)		
Other Investment		
Investment in Equity Instruments fully paid		
Quoted		
Tata Global Beverages Limited,	0.02	0.02
25,500 (Previous Year 33,650) Equity Shares of Re.1 each		
UCO Bank Limited., 15,000 Equity Shares of Rs. 10 each	4.49	4.49
Oil Country Tubular Limited, 40,000 Equity Shares of Rs. 10 each	8.78	8.78
Shree Rama Newsprint Limited. 10,000 Equity Shares of Rs.10 each	5.88	5.88
Fresenius Kabi Oncology Limited, Nil (Previous Year 12,500) of Re. 1 each	—	6.25
Aptech Limited, 10,300 Equity Shares of Rs. 10 each	3.67	3.67
Orient Carbon & Chemicals Limited, 15 Equity Shares of Rs. 10 each	0.01	0.01
RPG Cables Limited, 21 Equity Shares of Rs. 10 each		
Rs. 300 (Previous Year Rs. 300)	—	—
Basanti Cotton Mills Limited, 10 Equity Shares of Rs. 10 each		
Rs 73 (Previous Year Rs 73)	—	—
Unquoted		
West Bengal Multifiber Jute Park Limited	0.90	0.90
9,000 Equity Shares of Rs.10 each		
National Electronics Private Limited, 250 Equity Shares of Rs 100 each	0.25	0.25
Eastern Services Limited, 2,500 Equity Shares of Rs 10 each	0.25	0.25
Circus Avenue Properties Private Limited, 2,500 Equity Shares of Rs 10 each	0.25	0.25
Libra Transport Limited, 200 Equity Shares of Rs 100 each	0.20	0.20
Cooper Capital Markets Limited, 1,000 Equity Shares of Rs 100 each	1.00	1.00
Volga Investments Limited, 58,170 Equity Shares of Rs.10 each	5.82	5.82
Preoption Investments Limited, 120,670 Equity Shares of Rs.10 each	12.06	12.06
Naffar Chandra Jute Mills Limited, 50,000 Equity Shares of Rs. 10 each	0.10	0.10
Woodlands Multispeciality Hospital Limited,		
4,380 Equity Shares of Rs 10 each (held other than cost)	0.36	0.36
Wellington Jute Mills Employees' Consumers Co-operative Stores Limited,		
250 "B" Class Shares of Rs.10 each	0.03	0.03
Anglo India Employees Co-operative Stores Limited,		
250 "B" Class Shares of Rs.10 each	0.03	0.03
Investment in Preference Shares fully paid		
Chitrakoot Investments Limited, 40, 11% Cumulative Redeemable	0.04	0.04
Preference Shares of Rs 100 each		
Volga Investments Limited, 100, 11% Cumulative Redeemable	0.10	0.10
Preference Shares of Rs 100 each		
Disciplined Investments Limited, 100, 11% Cumulative Redeemable	0.10	0.10
Preference Shares of Rs 100 each		
Preoption Investments Limited, 100, 11% Cumulative Redeemable	0.10	0.10
Preference Shares of Rs 100 each		
Investment in Government Securities		
National Savings Certificate (VIII) Issue	0.04	0.04
	<u>44.48</u>	<u>50.73</u>
1) Aggregate amount of quoted investment	22.85	29.10
2) Aggregate market value of quoted investment	73.91	50.01
3) Aggregate amount of unquoted investment	21.63	21.63

	<u>31.03.2014</u>	<u>Rs in lacs</u> <u>31.03.2013</u>
11. Inventory		
(Please refer Note 1.5 for accounting policy for valuation)		
Raw Materials	1,565.57	1,950.49
Work-in-Process	1,524.66	1,330.88
Finished Goods	10,400.88	9,263.52
Stock- in-Trade	32.65	–
Stores and Spares	901.95	779.89
Others	31.90	31.90
	<u>14,457.61</u>	<u>13,356.68</u>
1) Raw Materials include material in transit	9.07	–
2) Finished goods include material in transit	157.04	283.01
3) Stock in Trade includes material in transit	32.65	–
		<u>Rs in lacs</u> <u>31.03.2013</u>
12 Trade Receivables(Unsecured)		
Outstanding for a period of above 6 months		
Considered goods	218.05	137.30
Doubtful	5.31	5.31
	<u>223.36</u>	<u>142.61</u>
Others	3,064.57	2,933.50
	<u>3,287.93</u>	<u>3,076.11</u>
		<u>Rs in lacs</u> <u>31.03.2013</u>
13 Cash and Cash Equivalents		
Balance with banks	17.08	149.10
Cash in hand	8.66	13.33
	<u>25.74</u>	<u>162.43</u>
Balance with bank includes		
-in unpaid dividend account	4.31	5.37
-in redemption cum unpaid dividend account	0.81	0.81
-in fractional share account	0.12	0.12
		<u>Rs in lacs</u> <u>31.03.2013</u>
14 Short Term Loans and Advances (Unsecured, considered good)		
Security Deposit	46.34	61.80
Deposit with companies	47.40	47.40
Claim receivables	1,241.75	1,246.32
Prepaid expenses	59.53	22.34
Loan to employees	9.02	7.66
Other Loans and Advances	591.17	209.61
	<u>1,995.21</u>	<u>1,595.13</u>
Maximum outstanding balance of interest free loans to employees during the yearRs- 10.58 lacs(Previous year Rs-12.60 lacs)		
	<u>2013-14</u>	<u>Rs in lacs</u> <u>2012-13</u>
15 Revenue from operations		
Sale of Products, Services and Related Income	33,874.55	33,895.26
Less-Excise duty and Cess	297.21	253.84
	<u>33,577.34</u>	<u>35,641.42</u>

		2013-14	Rs in lacs 2012-13
16	Other Income		
	Interest Income	226.24	0.10
	Profit on sale of fixed assets	14.51	0.44
	Insurance Claims	0.51	4.98
	Dividend Income	2.53	2.28
	Profit on sale of Investment	22.13	—
	Rent Received	254.76	211.17
	Miscellaneous Income	1.90	28.55
	Liabilities no longer required written back	15.88	6.86
		<u>538.46</u>	<u>254.38</u>
			Rs in lacs
		2013-14	2012-13
17	Cost of Material Consumed		
	Jute , Flax Fibres and Other Materials	18,865.42	19,663.45
18	Changes in Inventories		
	Opening stock		
	Finished Goods	9,263.53	8,624.29
	Work-in-Process	1,330.88	1,508.74
	Stock- in-Trade	—	26.97
		(A) <u>10,594.41</u>	<u>10,160.00</u>
	Closing Stock		
	Finished Goods	10,400.88	9,263.53
	Work-in-Process	1,524.66	1,330.88
	Stock- in-Trade	32.65	—
		(B) <u>11,958.19</u>	<u>10,594.41</u>
		(A-B) <u>(1,363.78)</u>	<u>(434.41)</u>
			Rs in lacs
		2013-14	2012-13
19	Employee Benefits Expense		
	Salaries, Wages and Bonus	7,979.60	7,616.92
	Contribution to Provident and other Funds	1,074.64	849.85
	Employees welfare expenses	76.23	72.12
		<u>9,130.47</u>	<u>8,538.89</u>
			Rs in lacs
		2013-14	2012-13
20	Finance Cost		
	Interest expenses		
	Fixed loans	167.54	122.69
	Others	778.32	782.61
		<u>945.86</u>	<u>905.30</u>
			Rs in lacs
		2013-14	2012-13
21	Other Expenses		
	Stores and spares consumed	1,063.62	1,388.46
	Other Consumption	2.29	13.86
	Power and fuel	2,136.23	2,169.61
	Processing expenses	287.75	387.47
	Repairs to building	15.75	21.43
	Repairs to machinery	2.99	12.22
	Repairs (others)	2.39	3.40
	Insurance	104.06	104.38
	Rates and Taxes	39.75	86.15
	Export Freight	214.13	246.60
	Transport and handling	1,160.02	1,358.27
	Brokerage ,commission and export expenses	138.40	5.48
	Bank charges	77.95	199.41
	Discounting charges on export bills	54.48	45.41
	Rent	30.98	20.33
	Auditors Remuneration	3.20	3.19
	Director's Fees	4.09	3.87
	Miscellaneous expenses	418.95	368.50
		<u>5,757.03</u>	<u>6,438.04</u>

22. The consolidated financial statements have been prepared in accordance with Accounting Standard “Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
23. The Consolidated Financial Statements have been prepared on the following basis :
- 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.
 - 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.
 - The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Statement of Consolidated Profit and Loss as the profit or loss on disposal of investment in subsidiary.
 - The financial statement of the subsidiaries viz; Landale & Clark Limited, AIC Properties Limited and Champdany Constructions Limited used in the consolidation are drawn upto the same reporting date as that of parent company i.e. 31 March 2014.
24. During the year 2013-14 Fixed Assets of Rs.2.29 lacs has been transferred to stock in trade in respect of Building at Narayanpur.

	Year ended 31.03.14	Rs in lacs Year ended 31.03.13
25. Estimated amount of contract remaining to be executed on capital account not provided for	52.48	54.20
26. (i) Contingent liabilities in respect of :		
a) Bank Guarantees	1,978.44	1,826.16
b) Bank Guarantees issued on pledge of shares by other companies	432.54	432.54
c) Claims for Income Tax, Commercial Taxes not acknowledged as debt and under appeal	693.10	476.15
d) Other claims not acknowledged as debt	485.93	373.45
e) Bills drawn on customers and discounted with banks and advances against collection	649.98	665.65
(ii) Dividend on Cumulative Preference Shares are in arrears since 30 March 2010, Rs.58.18 lacs (previous year Rs. 43.65 lacs) including Dividend Distribution Tax Rs.8.45 lacs (previous year Rs. 6.34 lacs).		
27. Jute Carpets / Jute diversified Products & Services have been treated as belonging to the same class as Jute / Jute Diversified Products & Services.		
28. Segment Information :		
The Company has considered two Business Segments viz; Jute/Jute diversified products & Services and Flax Products.		

A. Primary Segment Disclosure

Rs. in lacs

Particulars	Jute/Jute diversified products & Services		Flax Products		Total	
	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13
Segment Revenue						
External Turnover	30,566.96	33,978.69	3,010.38	1,662.73	33,577.34	35,641.42
Other Income	287.56	251.95	-	0.05	287.56	252.00
Segment Result	414.34	972.82	376.38	14.92	790.72	987.74
Unallocated					24.66	2.28
Operating Profit					815.38	990.02
Finance Cost					945.86	905.30
Interest Income					226.24	0.10
Income Taxes					(24.55)	37.25
Net Profit					120.31	47.57
Other Information						
Segment Assets	27,592.97	25,618.96	2,952.82	3,428.06	30,545.79	29,047.02
Unallocated					44.48	50.73
Total Assets					30,590.27	29,097.75
Segment Liabilities	18,070.01	16,234.47	1,254.42	1,994.23	19,324.43	18,228.70
Unallocated					163.23	220.62
Total Liabilities					19,487.66	18,449.32
Capital Expenditure	481.20	797.17	213.90	54.23	695.10	851.40
Depreciation	586.25	610.88	111.18	106.08	697.43	716.96
Amortization	0.14	5.00	12.25	12.25	12.39	17.25

B. Information about Secondary Segments

- a) Revenue & Sundry Debtors as per Geographical Markets

Rs. in lacs

Particulars	Revenue		Sundry Debtors	
	31.03.14	31.03.13	31.03.14	31.03.13
India	28,321.91	29,303.89	3,094.69	2,955.20
Outside India	5,793.89	6,591.91	193.24	120.91
Total	34,115.80	35,895.80	3,287.93	3,076.11

- 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.

Rs. in lacs

	Year ended 31.03.14	Year ended 31.03.13
29. Deferred Tax :		
i) Liability at the beginning of the year	140.13	165.54
(ii) Difference between book & tax depreciation	(33.15)	(25.41)
(iii) Deferred tax liability at the end of the year	106.98	140.13

30. Related Party Disclosures :

- (a) List of Related Parties and Relationships :

Party

Mr. Nirmal Pujara

Relationship

Key Management Personnel

- (b) Transactions during the previous year with related parties

Rs. in lacs

	Year ended 31.03.14	Year ended 31.03.13
Remuneration Paid (Whole time Director)	28.43	28.21*

* Includes arrear Leave encashment of Rs. 6.65 Lacs

		Rs. in lacs
	Year ended 31.03.14	Year ended 31.03.13
31. Auditors' Remuneration		
As Audit Fees	1.70	1.69
Tax Audit	0.35	0.35
Corporate Governance	0.12	0.12
Consolidated Financial Statement	0.13	0.13
Limited Review	<u>0.90</u>	<u>0.90</u>
	<u>3.20</u>	<u>3.19</u>
32. The Company has maintained separate books of account for Wellington Jute Mills, Weaving and Yarn Units at Rishra, Middle Mill, Fine Yarn and Flax Units at Jagatdal and Yarn and Weaving Units at Konnagar, Beldanga, Narayanpur, Shalimar and Kankinara Units at West Bengal and Libra Carpet and Yarn Units at Choudwar, Odhisa.		
33. Narayanpur and Shalimar Units have been closed with due process of law. Operations at Yarn Unit at Konnagar continued to be under suspension. Working at Yarn Unit and Libra Carpet Unit at Choudwar have been suspended from 28 December 2005 and 1 May 2006 respectively. Weaving Unit at Konnagar is under suspension of work since 6 February 2014. Management is of the view that the sale proceeds of the Fixed Assets relating to the Narayanpur, Choudwar, Konnagar and Shalimar Units would not be lower than the amount at they are carried in the books. The carrying values of assets of the cash generating units at Balance Sheet date are reviewed for impairment and management is of the view that there is no impairment exists. This has been relied upon by the Auditors'.		
34. The Company's application to the Competent Authority for exemption from the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 is pending approval.		
35. The Company has allotted 2,683,045 nos of Equity Shares of face value of Rs. 5/- each on conversion of 2,683,045 nos of convertible share warrants at a price of Rs.20.50 (including premium of Rs.15.50 per warrant), 25% paid up during the previous year and 75% paid during the year with the right to convert each warrant into one fully paid up Equity share of face value of Rs.5/- not before 31.03.2013 and not later than 18 months from the date of allotment of convertible warrants i.e. within 25.03.2014. These shares on conversion of warrants were allotted to promoter group companies on 15.05.2013 on preferential basis under SEBI (ICDR) Regulation 2009, with a lock in period of 3 years.		
36. In accordance with the policy consistently followed by the company, the outstanding commodity hedging contracts are accounted on the date of their settlement and realised gain / loss in respect of settled contracts are recognised in the Statement of Consolidated Profit and Loss, along with the underlying transactions. However, the Company has not entered any hedging contract as such there is no implication.		
37. In respect of the fire occurred on 21 January 2011 at Wellington Jute Mill, Rishra the final assessment to the damage caused to Assets is yet to be completed by the insurance authorities. Pending such assessments, no adjustment has been made to the accounts to the extent of estimated loss of goods - 565 MT - Rs. 388.36 lacs.		
The company has filed necessary claims with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claims.		
38. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. Accordingly, gratuity are accounted for in the books of accounts on accrual basis based on actuarial valuation except for gratuity for one unit of the company from 1997-98 to 2006-07 treated on cash basis and liability for the said period is not ascertained, but from financial year 2007-08 provided on accrual basis.		
39. (a) Trade receivables and deposits include Rs. 5.31 lacs and Rs. 2.50 lacs respectively considered as doubtful and no provision in this respect has been made in accounts as in the opinion of the management these amount are expected to be recoverable.		

- (b) 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.
- (c) 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.
- (d) 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.
- (e) Trade payables include Rs.75.71 lacs disputed by the management.
40. By an Order passed by the Hon'ble Division Bench of the High Court at Calcutta, six winding-up matters were relegated to Civil Suits for a claim of Rs.319 lacs of the erstwhile promoters of Anglo-India Jute Mills Co Ltd (now AI Champdany Industries Ltd), being the unsecured loan disputed by the Company. As per direction of the High Court, Calcutta, the Company has provided required securities to the satisfaction of the Registrar, Original Side, Calcutta High Court till the disposal of the suits.
- Six suits were filed by the erstwhile promoters by their six respective companies. In the said suits a composite decree to the tune of Rs.2.77 crores is passed. Challenging the said decree six appeals are preferred by AI Champdany Industries Limited which are allowed and the cross appeal filed by respondents are dismissed, and the entire claim of the six unsecured creditors have been placed for trial. Written statements in six suits have been filed by the company as per order of the Hon'ble Division Bench of Calcutta High Court. Special Leave Petition (SLP) filed before the Hon'ble Supreme Court by six companies of erstwhile promoters of AIJM against the order passed by the Division Bench of the Hon'ble High Court at Calcutta. Hon'ble Supreme Court dismissed the SLP filed by six companies of erstwhile promoters of AIJM. The suits (six in nos) are pending adjudication and trial before the Hon'ble High Court at Calcutta.
41. The Company has obtained possession of its flat at Woodland Syndicate as per the Order of the Court. The Company has filed an Application for final decree for mesne profits for wrongful occupation of the flat, before the Learned Civil Judge, Senior Division, 1st Court at Alipore, 24 Parganas (South), which is directed to attach with the suit proceeding. The decree passed in favour of the Company was challenged in the Hon'ble High Court and the same was dismissed on merits.
42. The Company has received consent from shareholders on 14 March 2014 by way of postal ballot, for sale of one of the undertakings namely Anglo-India Jute Mill (Middle Mill) located at Jagatdal, District. 24 Parganas (North), West Bengal. The matter is under process.
43. Previous year's figures have been rearranged / reclassified / regrouped wherever necessary and to make it in conformity with the amended Schedule VI to the Companies Act, 1956.

On behalf of the Board

For and on behalf of
D.P SEN & CO.
Chartered Accountants
FRN 301054 E
S K Nayak
Partner
Membership No.58711
Dated: 30 May 2014

Swaroop Saha
Company Secretary
& Compliance Officer

Prakash Nagar
Vice President (F & A) &
Chief Financial Officer

B. Wadhwa
N. Pujara
Directors

AI Champdany Industries Ltd

(CIN: L51909WB1917PLC002767)

Regd office : 25, Princep Street, Kolkata-700 072, Phone : 2237-7880 to 85 / 2225-1050 / 7924 / 8150
FAX : (91) (33) 222502221/22363754, Email : cil@ho.champdany.co.in, Website : www.jute-world.com

ATTENDANCE SLIP

96th ANNUAL GENERAL MEETING ON 12TH AUGUST, 2014

Registered Folio/ DP ID & Client ID No.	
Name and address of the shareholder(s)	

I/We hereby accord my/our presence at the 96th Annual General Meeting of the company at the Auditorium of Bengal National Chamber of Commerce and Industry, 1st floor, 23, Sir R N Mukherjee Road, Kolkata-700 001, on Tuesday 12th August, 2014 at 10:30 A.M.

Member's Folio/ DP ID/ Client ID No.

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

Note: Please complete the Folio/ DP ID-Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.

ELECTRONIC VOTING PARTICULARS

Electronic Voting Event Number	User ID	Password

Note: Please read the instructions printed under the Note No. (u) to the Notice of 96th Annual General Meeting dated 12th August, 2014. The e-voting period starts from 9:00 A.M. on Tuesday, the 5th August 2014 and ends at 6:00 P.M. on Thursday, the 7th August, 2014. At the end of the e-voting period, the portal where the votes are cast shall forthwith be blocked by NSDL.

Please cut here and bring the above attendance slip to the Meeting Hall

AI Champdany Industries Ltd

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PROXY FORM

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

96th ANNUAL GENERAL MEETING ON 12TH AUGUST, 2014

I/We, being the member(s) of.....shares of the above named company, hereby appoint

1. Name :	Signature: _____, or failing him;
Address :	
E-mail ID :	
2. Name :	Signature: _____, or failing him;
Address :	
E-mail ID :	
3. Name :	Signature: _____
Address :	
E-mail ID :	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 96th Annual General Meeting of the company, to be held on Tuesday, the 12th of August, 2014 at 10:30 A.M. at the Auditorium of Bengal National Chamber of Commerce and Industry, 1st floor, 23, Sir R N Mukherjee Road, Kolkata-700 001 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolution Proposed	Please tick (✓)
1	Adoption of Annual Accounts for the year ended 31 st March 2014.	
2	Approval of re-appointment of Mr. D. J. Wadhwa, Director retiring by rotation.	
3	Approval to the appointment of Statutory Auditors and fixing their remuneration.	
4	Approval to the appointment of Dr. G. Goswami as an Independent Director.	
5	Approval to the appointment of Mr. S. M. Palia as an Independent Director.	
6	Approval for elevating Mr. N. Pujara from Executive Director to Managing Director & fixing his remuneration	
7	Approval of remuneration to the Cost Auditor for the financial year ending March 31, 2015	
8	Special Resolution u/s 180(1)(c) of the Companies Act, 2013 for approval to borrow money in excess of the aggregate of paid up share capital & free reserves of the company.	
9	Special Resolution u/s 180(1)(a) of the Companies Act, 2013 for authorizing Board of Directors to mortgage, hypothecate or in any other way charge in favour of the lender all or any of the moveable and/or immoveable properties of the company, both present and/or future.	

Signed this..... day of....., 2014

Folio/ DP ID/ Client ID..... Signature of shareholder:.....

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

Affix
Revenue
Stamp

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

2. For the text of the Resolutions, Statement & Notes, please refer to the Notice convening the 96th Annual General Meeting dated 12th August, 2014.



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AI CHAMPDANY INDUSTRIES LIMITED

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

25, PRINCEP STREET, KOLKATA - 700 072, INDIA

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

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

CIN : L51909WB1917PLC002767

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



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BOMBAY STOCK EXCHANGE LTD.

PHIROZE JEEJEEBHOY TOWERS,
DALAL STREET,
FORT, MUMBAI – 400 001.

Dear Sir / Madam,

Kindly find the FORM B given hereunder for your record.

FORM B

1.	Name of the Company:	AI Champdany Industries Ltd.
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Repetitive for the last eight years.
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>i) Pending assessment of losses in respect of stocks of finished goods damaged by fire, no adjustment has been made to the accounts as referred to in note 46 to the Accounts;</p> <p>ii) non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1.4.1997 to 31.03.2007 in respect of one unit of the company as referred to in note 47 to the Accounts (relates to erstwhile Anglo India Jute Mills Company Limited).</p> <p>(Please refer to our Annual Report page no. 18)</p> <p>Qualified opinion by the Auditors in their report have been adequately dealt with in the Report of Board of Directors vide page no. 3 of our Annual Report, which are explained hereunder seriatim.</p> <p>(i) In respect of Loss on Account of Fire at the Company's Wellington Jute Mill on 21 January 2011, 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 the</p>



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		insurance authorities. (ii) The Company is providing Gratuity Liability on accrual basis for all its units and only in respect of one unit i.e. Jagatdal, it was accounted for on cash basis for the intervening period of 1996-97 to 2006-07 as explained in Note No. 47 to the Accounts.
6.	Additional comments from the board/audit committee chair:	<p>In respect of the fire occurred on 21 January 2011 at Wellington Jute Mill, Rishra, the final assessment to the damage caused to Assets is yet to be completed by the insurance authorities. Pending such assessments, no adjustment has been made to the accounts to the extent of estimated loss of goods – 565 MT- Rs.388.36 lacs.</p> <p>The company has filed necessary claims with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claims.</p> <p>Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. Accordingly, gratuity are accounted for in the books of accounts on accrual basis based on actuarial valuation except for gratuity for one unit of the company from 1997-98 to 2006-07 treated on cash basis and liability for the said period is not ascertained, but from financial year 2007-08 provided on accrual basis.</p>


N. Pujara
(Managing Director)


Prakash Nagar
(Vice President (F&A) &
Chief Financial Officer)




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

