

**ANNUAL
REPORT
2016–2017
(ABRIDGED)**

AI CHAMPDANY INDUSTRIES LIMITED

AI CHAMPDANY INDUSTRIES LIMITED

CIN: L51909WB1917PLC002767

CHAIRMAN EMERITUS

Mr. G J Wadhwa

BOARD OF DIRECTORS

Mr. D J Wadhwa, Chairman

Mr. Harbhajan Singh

Mr. S M Palia

Dr. G Goswami

Mr. N Das

Dr B Sen

Mr. B Wadhwa

Ms. Ramya Hariharan

Mr. N Pujara, Managing Director

VICE PRESIDENT (F&A) & CHIEF FINANCIAL OFFICER

Mr. Prakash Nagar

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. B K Chowdhury (w.e.f. 27 May 2017)

AUDITORS

D. P. Sen & Co.

Chartered Accountants

FRN 301054 E

BANKERS

Bank of Baroda

Allahabad Bank

Export-Import Bank of India

Kotak Mahindra Bank Ltd.

Bank of Maharashtra

IDBI Bank Ltd.

REGISTERED OFFICE

25, Princep Street

Kolkata-700 072

SHARE DEPARTMENT

25, Princep Street

Kolkata-700 072

Phone: 2237 7880/85

Fax: 033-2236 3754/033-2225 0221

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

Website: www.jute-world.com

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WORKS

Wellington Jute Mill 9, G T Road Rishra Hooghly West Bengal Pin: 712 248	Yarn Unit 9, G T Road Rishra Hooghly West Bengal Pin: 712 248	Fine Yarn Unit 1, West Ghosh Para Road, Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Flax Unit 1, West Ghosh Para Road, Jagatdal 24, Parganas (N) West Bengal Pin: 743 125	Weaving Unit 9, G T Road Rishra Hooghly West Bengal Pin: 712 248
Libra Carpet Choudwar Cuttack Odhisra Pin: 754 025	Weaving Unit 39, Shalimar Road Howrah (South) West Bengal Pin: 711 103	Yarn Unit Choudwar Cuttack Odhisra Pin: 754 025	Weaving Unit Naity Road Konnagar Hooghly West Bengal Pin: 712 246	Kankinara Unit Bhutnath Kolay Road Kankinara 24, Parganas (N) West Bengal Pin: 743 126

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 Ninth Annual General Meeting of the Members of the Company will be held on Thursday, the 21st day of September, 2017 at 10.30 AM at the Auditorium of Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata – 700017 to transact the following businesses:

Ordinary Business:

- (1) To consider and adopt:
 - (a) the audited financial Statement of the Company for the financial year ended 31st March, 2017, the report of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial Statement of the Company for the financial year ended 31st March, 2017.
- (2) To appoint a Director in place of Mr. Bhushan Wadhwa (DIN: 00407790), 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 pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, the appointment of M/s G Basu & Co, Chartered Accountants (Registration No. 301174E), as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 104th Annual General Meeting of the Company be and is hereby approved and their appointment be at a remuneration to be decided by the Board of directors of the Company.”

Special Business:

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) and pursuant to the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Dr. Giridhan Goswami, (DIN: 00024209) who was appointed as director in the 96th Annual General Meeting till the conclusion of this Annual General Meeting and in respect of whom a notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Dr. Giridhan Goswami as a candidate for the office of the director, be and is hereby elected and appointed as an independent director of the company to hold office for another term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 104th Annual General Meeting to be held in the year 2022, not liable to retire by rotation”.

5. To Consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) and pursuant to the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Sam Maneckshaw Palia, (DIN: 00031145) who was appointed as director in the 96th Annual General Meeting till the conclusion of this Annual General Meeting and in respect of whom a notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Mr. Sam Maneckshaw Palia as a candidate for the office of the director, be and is hereby elected and appointed as an independent director of the company to hold office for another term of 1 (One) year from the conclusion of this Annual General Meeting till the conclusion of the 100th Annual General Meeting to be held in the year 2018 not liable to retire by rotation”.

6. To Consider and if thought fit, to pass with or without modification the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) and pursuant to the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Harbhajan Singh, (DIN: 00237556) who was appointed as director through passing of resolution by postal ballot on 31st March, 2015 till the conclusion of this Annual General Meeting and in respect of whom a notice pursuant to Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Mr. Harbhajan Singh, as a candidate for the office of the director, be and is hereby elected and appointed as an independent director of the company to hold office for another term of 1 (One) year from the conclusion of this Annual General Meeting till the conclusion of the 100th Annual General Meeting to be held in the year 2018 not liable to retire by rotation”.

7. To Consider and if thought fit, to pass with or without modification the following resolution as an 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 Government, if necessary, and subject to all such approvals as may be required, approval of the company be and is hereby accorded for reappointment of Mr. Nirmal Pujara (DIN: 00047803) as Managing Director of the Company for a period of 5 years i.e. from 1st January, 2018 to 31st December, 2022, 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”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) M/s. N. Radhakrishnan & Co., Cost Accountants, being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2018, be paid the remuneration as set out in the Statement annexed to the Notice convening this meeting.

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

Registered Office
25, Princep Street
Kolkata – 700072
Dated: 27 May, 2017

By Order of the Board
B K Chowdhury
Company Secretary &
Compliance Officer

Important Notes:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding

- more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- b) The relative Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses under item 4 to 8 is annexed hereto.
 - c) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the company a certified copy of the Board Resolution authorizing their representative not less than 48 hours before the commencement of the meeting, to attend and vote on their behalf at the meeting.
 - d) Members / Proxies are requested to bring their Attendance Slip enclosed herewith along with their copy of Annual Report to the meeting.
 - e) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 - f) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
 - g) As required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ("Listing Regulations") and Secretarial Standard 2 issued by The Institute of Company Secretaries of India brief resume of the Directors seeking appointment / re – appointment at the Annual General Meeting (AGM) are included in the statement pursuant to Section 102 (1) of the Companies Act, 2013 set out in the Notice convening this meeting. The Directors have furnished the requisite consent / declarations for their appointment / re – appointment.
 - h) The Notice of the 99th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form and Copies of Annual Report for the financial year 2016-17 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 15th September, 2017 to 21st September, 2017 (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 • Email: mcssta@rediffmail.com

- Members are requested to address all correspondence, including dividend matters if any, to the aforesaid Share Transfer Agent of the Company. Members are advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- m) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent.
 - n) As approved by the Shareholders, the company has sub divided the Equity Shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each with effect from September 19, 2008. Shareholders who have not yet surrendered old share certificates of face value of Rs. 10/- each, are requested to surrender the same to

the Registrar and Share Transfer Agent to enable the Company to dispatch the new share certificates in lieu of old certificates.

- o) Members may also note that the Notice of the 99th AGM and the Annual Report for the financial year 2016-17 will be available on the Company's website, www.jute-world.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at : aicilinvestors@gmail.com
- p) Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to Registrar & Share Transfer Agent (i.e. MCS Share Transfer Agent Ltd.), for consolidation into a single folio.
- q) Non-Resident Indian Members are requested to inform M/s MCS Share Transfer Agent Ltd, immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- r) **Members who have not registered their Email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc from the company electronically.**
Please provide your e-mail address mentioning the Company's name and Folio Number to our Registrar, M/s MCS Share Transfer Agent Ltd. , by post at their postal address 12/1/5, Manohar Pukur Road, Kolkata-700026 or by email at mcskol@rediffmail.com in case shares held in physical form.
- s) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the company. The nomination form can be downloaded from the company's website www.jute-world.com
- t) **Voting through electronic means:**
 - 1. In compliance with provisions of Section 108 of the Companies Act, 2013 and other applicable provisions of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 99th Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL)
 - 2. The facility for voting through Ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - 3. Members who have already cast their vote by remote e-voting prior to the 99th Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
 - 4. The e-voting period commences on 18th September, 2017 (9:00 AM) and ends on 20th September, 2017 (5:00 PM). During this period shareholders of the Company holding shares either in physical form or in dematerialised form as on cut off date of 14th September, 2017, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - 5. In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing electronic e-voting facility to exercise votes on the items of business given in this Notice at the 99th Annual General Meeting (AGM) through electronic voting system, to members whose names are recorded in the register of members or in the register of beneficial owners maintained by the depositories

as on 14th September, 2017 being the Cut-Off date (Cut-Off date for the purpose of Rule 20(2) (ii) of the Companies (Management and Administration) Rules fixed for determining Voting Rights of Members, entitles to participate in the remote e-voting process, through the remote e-voting platform provided by NSDL.

6. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 14th September, 2017. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 14th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or mcssta@rediffmail.com or aicilinvestors@gmail.com
7. The process and manner for remote e-voting are as under:
 - (i) Open the attached PDF file “AI Champdany e-Voting.pdf” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password for e-voting”. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting
 - (ii) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
 - (iii) Click on “Shareholder - Login”.
 - (iv) Put User ID and password as initial password noted in step (i) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the toll free no.1800-222-990.
 - (v) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
 - (vi) Home page of remote “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select “EVEN” of AI Champdany Industries Ltd. Members can cast their vote online from 18th September, 2017 (9:00 AM) till 20th September, 2017 (5:00 PM).

Note: e-Voting shall not be allowed beyond said time.

- (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.
- (xii) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also 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.

I. **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 in a separate sheet
EVEN (E Voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (x) 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 toll-free number 1800-222-990

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. 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.
- VI. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in the favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- VII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.jute-world.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the BSE/NSE.
- VIII. 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.
- IX. This Notice of the 99th Annual General Meeting along with the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 will be published in one Bengali Newspaper in circulation in Kolkata and in one English Newspaper having country-wide circulation.

Please note that:

- A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

Other Information:

- 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.

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

Item No.2

Re-Appointment of Mr. Bhusan Wadhwa

Brief Profile of Mr. Bhusan Wadhwa

DIN 00407790

Date of Birth: 22nd August, 1953

Date of Appointment: 31st July, 2004

Qualification: B. Com

Expertise in specific functional areas: Industrialist with vast experience in Export Market

Disclosure of relationship between directors inter se : Nil

Directorship in other Listed Companies: Nil

Membership/Chairmanship in Committees of other Listed Companies : Nil

Shareholding in the Company as on 31st March, 2017 : Equity: 1732 shares, 2% Preference: 1532 shares

Item No 4

Re-Appointment of Dr. Giridhan Goswami

Brief Profile of Dr. Giridhan Goswami

DIN: 00024209

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.

Disclosure of relationship between directors inter se : Nil

Directorship in other Listed Companies: Shibir India Ltd., Rishra Investments Ltd., Amar Investments Ltd.

Membership/ Chairmanship in Committees of other Listed Companies: Member of Audit Committee in Shibir India Ltd., Rishra Investments Ltd

Shareholding in the Company as on 31st March, 2017 : NIL

Item No 5

Re-Appointment of Mr. Sam Maneckshaw Palia

Brief Profile of Mr. Sam Maneckshaw Palia

DIN: 00031145

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.

Disclosure of relationship between directors inter se : Nil

Directorship in other Listed Companies: The Bombay Dyeing & Mfg Co. Ltd

Membership/ Chairmanship in Committees of other Listed Companies : Members of Audit Committee and Corporate Social Responsibility Committee and Chairman of Nomination and Remuneration Committee in Bombay Dyeing & Mfg. Co. Ltd.

Shareholding in the Company as on 31st March, 2017: Equity: 266 shares, 2% Preference: 500 shares

Item No 6

Re-Appointment of Mr. Harbhajan Singh

Brief Profile of Mr. Harbhajan Singh

DIN: 00237556

Date of Birth: 1st April, 1940

Date of Appointment: 24th September, 2003

Qualifications: LLB & M.A.

Expertise in Specific functional areas: Former chairman and managing director of Allahabad Bank with rich experience in finance, banking and management.

Disclosure of relationship between directors inter se : Nil

Directorship in other Listed Companies : Nil

Membership/ Chairmanship in committees of other Listed Companies : Nil

Shareholding in the Company as on 31st March, 2017: Nil

Item No 7

Re-Appointment of Mr. Nirmal Pujara as Managing Director

Brief Profile of Mr. Nirmal Pujara:

DIN: 00047803

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.

Disclosure of relationship between directors inter se : Nil

Directorship in other Listed Companies: Amar Investments Ltd., Rishra Investments Ltd., Shibir India Ltd.

Membership/ Chairmanship in Committees of other Listed Companies: Chairman of Audit Committee and Stakeholders Relationship Committee in Rishra Investments Ltd. and Shibir India Ltd.

Shareholding in the Company as on 31st March, 2017: Equity: 3400 shares

Registered Office
25, Princep Street
Kolkata – 700072
Dated: 27th May 2017

By Order of the Board
B K Chowdhury
Company Secretary &
Compliance Officer

ANNEXURE TO THE NOTICE

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

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

Item No 4

According to Provision of Section 149 of the Companies Act, 2013, and provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, an independent director of the company shall hold office for a term of 5 consecutive years on the Board of a Company but shall be eligible reappointment for another term on passing a special resolution in the ensuing Annual General Meeting of share holders of the Company.

In view of the above it is proposed to reappoint Dr. Giridhan Goswami as an independent director of the Company for another term of 5 years upto the conclusion of 104th Annual General Meeting to be held in the year 2022.

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

The Company has received from Dr. Giridhan Goswami :

- i. Consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rule, 2014.
- ii. Intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rule, 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 Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors, Dr. Giridhan Goswami fulfils the conditions for reappointment as Independent Directors as specified in the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the Management

None of the directors, Key Managerial Personnel or their relatives in any way concerned or interested in this resolution except Dr. Giridhan Goswami for his appointment.

A copy of draft letter of appointment of Dr. Giridhan Goswami as an independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

The Board recommends the Special Resolution set out at Item No. 4 in the Notice for approval by the shareholders.

Item No 5

According to Provision of Section 149 of the Companies Act, 2013, and provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, an independent director of the company shall hold office for a term of 5 consecutive years on the Board of a Company but shall be eligible reappointment for another term on passing a special resolution in the ensuing Annual General Meeting of share holders of the Company.

In view of the above it is proposed to reappoint Mr. Sam Maneckshaw Palia as an independent director of the Company for another term of 1 year upto the conclusion of 100th Annual General Meeting to be held in the year 2018.

In this regard the Company has received notice in writing from a member of the Company along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Sam Maneckshaw Palia for the office of Directors of the Company.

The Company has received from Mr. Sam Maneckshaw Palia:

- i. Consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rule, 2014.
- ii. Intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rule, 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 Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Sam Maneckshaw Palia fulfils the conditions for reappointment as Independent Directors as specified in the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the Management

None of the directors, Key Managerial Personnel or their relatives in any way concerned or interested in this resolution except Mr. Sam Maneckshaw Palia for his appointment.

A copy of draft letter of appointment of Mr. Sam Maneckshaw Palia as an independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

The Board recommends the Special Resolution set out at Item No. 5 in the Notice for approval by the shareholders.

Item No 6

According to Provision of Section 149 of the Companies Act, 2013, and provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, an independent director of the company shall hold office for a term of 5 consecutive years on the Board of a Company but shall be eligible reappointment for another term on passing a special resolution in the ensuing Annual General Meeting of share holders of the Company.

In view of the above it is proposed to reappoint Mr. Harbhajan Singh as an independent director of the Company for another term of 1 year upto the conclusion of 100th Annual General Meeting to be held in the year 2018.

In this regard the Company has received notice in writing from a member of the Company along with deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Harbhajan Singh for the office of Directors of the Company.

The Company has received from Mr. Harbhajan Singh:

- i. Consent in writing to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rule, 2014.
- ii. Intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rule, 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 Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Harbhajan Singh fulfils the conditions for reappointment as Independent Directors as specified in the Companies Act, 2013 and the Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he is independent of the Management

None of the directors, Key Managerial Personnel or their relatives in any way concerned or interested in this resolution except Mr. Harbhajan Singh for his appointment.

A copy of draft letter of appointment of Mr. Harbhajan Singh as an independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

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

Item No. 7

In view of the contribution made by Mr. Nirmal 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 27th May, 2017 has reappointed Mr. Nirmal Pujara as Managing Director for a period of another 5 years i.e. 1st January, 2018 to 31st December, 2022 with a remuneration 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. It is pertinent to mention here that the remuneration of Mr. Nirmal Pujara was enhanced upto the maximum ceiling of Rs.700000 per month (inclusive of Perquisites) through special resolution passed at the 96th AGM held on August 12, 2014.

The principal terms & conditions including the remuneration to be paid to Mr. Nirmal 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. Nirmal 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. Nirmal 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. Nirmal Pujara as Managing Director of the company the remuneration as mentioned above shall be paid to Mr. Nirmal Pujara as minimum remuneration, subject to the limit prescribed in Schedule V of the Companies Act, 2013.

4) Other terms & conditions:

- i) Mr. Nirmal 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. Nirmal 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. Nirmal 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. Nirmal 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. Nirmal 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 Section 196 (3) of the said Act, for being eligible for reappointment 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. Nirmal Pujara at act as Managing Director of 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 except Mr. Nirmal Pujara.

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

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

A statement containing the following information as per the provision of Clause B of Section II of Part II of Schedule V of the Companies Act, 2013.

a. General Information

i Nature of Industry:

Manufacturing of Jute, Jute diversified products and flax products.

ii Date of Commencement of Commercial Production:

The company commenced commercial production since the date of incorporation on 02.01.1917.

iii. In the case of new companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: Not Applicable

iv. Financial Performance :

The Financial performance of the Company in the previous financial year is as follows:

<u>Financial Parameter</u>	<u>Financial Year 2016-17 (Rs. In Lacs)</u>
Turnover	11151.46
Profit/(Loss) after Tax	(576.64)
Export performance and foreign exchange earnings	3231.61

v. Foreign Investment or Collaborations, if any : NIL

b. Information about Mr. Nirmal Pujara

i. Background

Mr. Nirmal Pujara has been associated with “The Champdany Industries Ltd” since 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 Ltd with this Company in 2006, he became Executive Director (Marketing) of this company. Mr. Nirmal Pujara was promoted to Executive Director with effective from 30.05.2012 to manage 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. Again Mr. Nirmal Pujara was appointed as an Executive Director of the Company on 01.01.2013 for a period of five years. On 12.05.2014 Mr. Nirmal Pujara was elevated to Managing Director by Board of Directors on the recommendation of Nomination and Remuneration Committee, for the remaining period, i.e. from 12.05.2014 to 31.12.2017. Board of Directors of the Company has approved the reappointment of Mr. Nirmal Pujara as Managing Director for 5 years from 01.01.2018 to 31.12.2022 in its meeting held on 27.05.2017 on the recommendation of Nomination and Remuneration Committee and proposed remuneration for a period of 3 years i.e. from 01.09.2017 to 31.08.2020 subject to approval of share holders by special resolution at the ensuing Annual General Meeting.

ii. Past Remuneration and Remuneration Proposed to be paid to Mr. Nirmal Pujara

<u>Particulars</u>	<u>Existing Remuneration</u>	<u>Proposed Remuneration</u>
Salary	Rs. 3,50,000/- per month	Upto Rs. 84 Lakhs per annum or Rs. 7 Lakhs per month (inclusive of perquisites) as may be decided by the Board from time to time but excluding perquisites 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 Director and/or the Nomination and 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

iii. Job Profile and his suitability

Mr. Nirmal Pujara was appointed as director of the Company in 1994 and in the year 2006, he became the Executive Director (Marketing) on merger of The Champdany Industries Ltd with this Company. Prior to merger he was working as Executive Director (Marketing) of the merged Company since 1993. In May, 2012 he was elevated to Executive Director of the Company with overall charge of managing day to day affairs of the Company. Considering his experience and Managerial capabilities, the Board revised his remuneration. On 12th May, 2014 the Board elevated him as Managing Director on the recommendation of Nomination and Remuneration Committee. On the recommendation of Nomination and Remuneration committee the Board of Directors in its meeting held on 27.05.2017 reappointed Mr. Nirmal Pujara as Managing Director for a period of 5 years with the overall existing limit of remuneration passed by members in Annual General Meeting held on 12.08.2014, subject to approval of share holders in the ensuing AGM

iv. Comparative Remuneration Profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The Proposed remuneration of Mr. Nirmal Pujara is in line with the remuneration being paid to 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.

- v. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Nirmal Pujara holds 3400 equity shares of the Company. Except shareholding and remuneration he has no other pecuniary relationship directly or indirectly with the Company and its managerial personnel or their relatives.

c. Other Information

- i. Reasons of loss or inadequate profits

The Company has faced many challenges in the past few years like shortage of manpower, suspension of work etc. Over and above the jute prices were also volatile thereby affecting the business of the company. The Company incurred Loss mainly due to these factors.

- ii. 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 effort to widen and expand the value added flax products portfolio.

- iii. 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 profit in the years to come barring unforeseen situation.

The Copies of relevant resolutions of the Nomination and Remuneration Committee and Board of Directors of the Company are available for inspection at the Registered Office of the Company between 11A.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 the item no 7 in the Notice for approval by the shareholders.

Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N. Radhakrishnan & Co., Cost Accountants (Firm Reg. No. 000056) as the Cost Auditors to conduct the audit of the Cost records of the company for the financial year ending 31st March, 2018 at a remuneration of Rs. 30000/- (i.e. Cost Audit Fees) plus applicable taxes and reimbursement of out of pocket expenses not exceeding Rs. 1000/- per annum .

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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. 8 of the Notice convening this meeting.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Registered Office
25, Princep Street
Kolkata - 700 072
Dated: 27. 05. 2017

By Order of the Board
B K Chowdhury
Company Secretary &
Compliance Officer

AI CHAMPDANY INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors are pleased to present the Annual Report of your Company and the Company's Audited Financial Statements for the financial year ended 31 March 2017.

FINANCIAL RESULTS

(Rs. in lacs)

	Year ended 31st March, 2017	Year ended 31st March, 2016
Profit before Finance Cost, Depreciation and Tax	638.07	794.38
Finance Cost	1152.45	1273.40
Depreciation and Amortisation	406.05	513.17
Loss Before Tax	(920.43)	(992.19)
Provision for Tax:		
- Deferred Tax (Asset)	343.79	(449.52)
Loss After Tax	(576.64)	(542.67)
Loss Brought Forward from Previous Years	(949.76)	(407.09)
Loss Carried over	(1526.40)	(949.76)

DIVIDEND

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

OPERATIONS

Sales/Income from operation was Rs. 106.62 crore compared to Rs. 216.65 crore in the previous year. Production was 7250 MT compared to 18820 MT in the previous year. Decline in sales and production was mainly due to temporary suspension of work at the Company's main unit i.e. Wellington Jute Mill (WJM), Rishra from 26 March, 2016 to 16 September, 2016 and also on account of sale of Anglo-India Jute Mill (Middle Mill) at Jagatdal w.e.f. 1 May, 2016. Temporary suspension of work at Wellington Jute Mill had to be declared due to acute raw jute shortage in the 1st half of the year under review which also affected the entire Jute Industry and also on account of low productivity at the unit compared to Industry norms. On reopening of WJM from 17 September, 2016 production started in phases after cleaning and overhauling operations. Exports sales was at Rs 32.32 crore as against Rs. 49.74 crore in the previous year. Lower export sales also was due to the reasons mentioned herein above. Management Discussion and Analysis Report which is annexed and part of this Report covers further details on performance.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There have been no change in the nature of business of the Company.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

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

RISK MANAGEMENT FRAMEWORK

Your company has a Risk Management Framework approved by the Board of Directors. The Risk Management Framework provides the mechanism for risk assessment and its mitigation. The Risk Management framework is being periodically reviewed by the Audit Committee and the Board of Directors.

DISCLOSURE ON SEXUAL HARRASSMENT OF WOMEN IN WORKPLACE

The Company has received no complaints from any woman employee during the year regarding Sexual Harassment of Women in Workplace (Prevention Prohibition & Redressal) Act, 2013.

PARTICULARS OF EMPLOYEES

There was no employee in receipt of remuneration of Rs. 60 lacs or more per annum during the year as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CHANGES IN KEY MANAGERIAL PERSONNEL

MANAGING DIRECTOR

Tenure of Mr. Nirmal Pujara as Managing Director is valid upto 31 December, 2017. Board of Director on recommendation of Nomination and Remuneration Committee has approved for reappointment of Mr. N Pujara as Managing Director for a further period of 5 years from 1 January, 2018 subject to approval of share holders or such other authorities as applicable, at a remuneration as set out in the Resolution/ Explanatory statement of the Notice of ensuing AGM.

COMPANY SECRETARY

With effect from 25 July, 2016 Mr. Binaya Kumar Dash was appointed as Company Secretary and Compliance Officer in place of Mr. Binod Kumar Chowdhury who was working as Sr. General Manager (Accounts) with additional responsibility of Company Secretary and Compliance Officer. Subsequently on resignation of Mr. Binaya Kumar Dash from 12 February, 2017 Mr. Binod Kumar Chowdhury was appointed as the Company Secretary and Compliance Officer with effect from 27th May, 2017.

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

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

DIRECTORS

In accordance with the provisions of the Companies Act 2013 and the Articles of Association of the Company, Mr. Bhushan Wadhwa, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Tenure of Mr. S M Palia, Mr. Harbhajan Singh, Dr. G Goswami, Dr. B Sen and Mr. N Das as Independent Director is valid upto the ensuing Annual General Meeting. Dr. G Goswami, Mr. S M Palia and Mr. Harbhajan Singh has given their consent for a further period of 5 years, One Year and One Year respectively as Independent Director of the Company for which the necessary resolutions are proposed in the notice of the ensuing AGM.

The Company has received declaration from all independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Regulation 16 (b) of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

DISCLOSURES ON MANAGERIAL REMUNERATION

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

STATUTORY AUDITORS

In terms of Section 139 of the Companies Act, 2013 the Company is required to appoint a new Auditor from the conclusion the ensuing Annual General Meeting as the existing Auditor M/s D. P Sen & Co, Chartered Accountants will be completing the tenure of 10 years at the ensuing Annual General Meeting and as per the provision of the Companies Act, 2013 a new Auditor is to be appointed. Accordingly on the recommendation of Audit Committee M/s G Basu & Co. Chartered Accountants, Kolkata is proposed to be appointed as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of 104th Annual General Meeting for which necessary resolution is being included in the notice of AGM for approval by the share holders.

COST AUDITORS

M/s N Radhakrishnan & Co, Cost Accountants has been appointed as Cost Auditor for auditing the cost accounts of the Company for the year ended 31 March 2018 by the Board of Directors. The remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to the Cost auditor is being sought at the ensuing Annual General Meeting.

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

The Cost Audit Report for the year 2015-16 has been filed with the Ministry of Corporate Affairs on 27 January 2017 as against due date of 27/09/2016. Delay in filing the Cost Audit Report was on account of temporary suspension of work at the Company's main manufacturing unit. i.e. Wellington Jute Mill, Rishra for the period from

26 March, 2016 to 16 September, 2016, since necessary cost accounting records could not be accessed during the closure period, the required cost data was compiled and audited on re-opening of the unit and the Cost Audit Report submitted thereafter.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2017, on a going concern basis;
- e) that the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and;
- f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;

EXTRACT OF ANNUAL RETURN

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

SECRETARIAL AUDIT REPORT

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

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

The Statutory Auditor has not given any qualification, reservation or adverse remark or disclaimer in their Audit Report.

The Secretarial Auditor has not given any qualification, reservation or adverse remark or disclaimer in their Audit Report.

The Cost Auditor has not given any qualification, reservation or adverse remark or disclaimer in their Audit Report.

MEETINGS OF THE BOARD

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

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the Companies Act 2013 and the Accounting Standard (AS21), the Consolidated Financial Statement is provided in the Annual Report.

STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY

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

LISTING WITH THE STOCK EXCHANGES

The Company's shares are listed on the Bombay Stock Exchange and National Stock Exchange and annual listing fees for financial year 2017-18 has been paid to the BSE and NSE.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

No significant & Material Orders relating to settlement of tax liabilities, operation of patent rights, depression in market value of investments, institution of cases by or against the company, sale or purchase of capital assets or destruction of any assets etc. were passed by the Regulators for or against the Company during the financial year ended 31st March 2017.

INTERNAL FINANCIAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has Internal Financial Control system commensurate with the size, scale and complexity of its operations. The system encompasses the major processes to ensure reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

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

The Audit Committee meets regularly to review reports submitted by the Internal Auditors. The Audit Committee also meet the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies and procedures followed by the Company. In order to strengthen further our existing internal financial control system, the Company has engaged Ernst & Young to study and suggest improvements in our system.

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

During the year, the Company has not given any loans, provided any guarantees or made any investments as covered under Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS, ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES

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

All contracts/transactions/arrangements entered by the Company with Related parties during the financial year were in the ordinary course of business and on arm's length basis and the provisions of Section 188 are not attracted. Thus, disclosure in Form AOC-2 is not required.

PREVENTION OF INSIDER'S TRADING

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

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

ENVIRONMENT AND SAFETY

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENTS

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

Place: Kolkata
Dated: 27th May, 2017

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Development:

In the 1st half of the year under review, Jute Industry suffered because of acute shortage of raw jute resulting in abnormally record high raw jute prices reaching upto Rs. 65000/- per MT thereby making the operations unviable and leading to production cuts in the Industry. On arrival of new jute crop from August/ September, 2016 availability of raw jute improved considerably resulting in substantial easing of raw jute prices by almost 30 -35% from its peak level making the operations viable for the Industry which was supported by strong Government Demand for 'B' Twill bags.

B. Opportunities/Threats, Risks & Concerns:

■ Opportunities

Availability and prices of raw jute currently is comfortable and coupled with the strong Government demand for "B" Twill Jute Bags, operating cycle appears be favourable for the Jute Industry barring unforeseen situation. Moreover Government of India has imposed anti dumping duties on import of finished goods from Bangladesh/Nepal thereby providing pricing support to the Indian Jute Industry beside by offering additional export incentives, Government has made jute goods exports competitive in the international market. As of now there is an opportunity for the Industry to take advantage of the positive operating cycle in the industry and your Company is also making all efforts to enhance production at its operating units as well as focus on manufacture of value added diversified jute goods for which there is a good demand in the export market. Wherever feasible your company is also trying to increase its merchandise exports so as to service its established international customers.

■ Threats / Risks and Concerns

Currently Industry is facing shortage of skilled man power resulting in curtailment of production in spite of abundant availability of raw jute with good demand both domestically and internationally. As such there is a need for augmenting the supply of skilled manpower for the Industry with the support from Government Authorities as well as by the Industry body otherwise going forward scarcity of man power in the industry may become more acute.

Low productivity in the industry continues to be an area of concern. As such for long term survival of the industry, it is imperative that a productivity linked wage structure be devised in consultation with labour unions otherwise the industry will gradually loose its competitiveness compared to alternate products. At the same time industry needs to take steps for installing new generation efficient machines requiring lower man power in place of existing old generation machines.

C. Outlook:

Carry over from last year, crop is estimated to be higher and as of now there is a possibility of another good crop in the coming season. Government demand for procurement of "B" Twill bags continues to be good and with the prediction of another year of normal monsoon it is expected that demand for packaging of food grains continue to be strong. Export demand is also reviving due to increase in incentive by the Government of India.

Your Company after having sold Anglo-India Jute Mill (Middle Mill) w.e.f. 1st May, 2016 is taking steps to enhance production at its existing manufacturing units as much as feasible, however such efforts of the Company is hindered by shortage of skilled man-power.

Your Company having several prime parcel of non core properties/ assets which have been built over a period of 3/4 decades is also continuously exploring the possibilities of monetizing one or more such assets so as to reduce its debt obligations and consequently interest cost which ultimately will improve the overall financial position and bottom line of the Company. Off late overall economic scenario in the country has started looking up and it is expected that going forward such efforts of the Company towards monetization of non core assets may yield some positive result.

D. Internal Control System & Adequacy:

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

E. Financial & Operating Performance:

Sales / Income from operation was Rs. 106.62 Crores compared to Rs. 216.65 Crores in the previous year. The production was 7250 MT compared to 18820 MT in the previous year. Decline in sales and production was mainly due to temporary suspension of work at the Company's main unit i.e. Wellington Jute Mill (WJM), Rishra from 26th March, 2016 to 16th September, 2016 and also on account of sale of Anglo India Jute Mill (Middle Mill) at Jagatdal w. e. f. 1st May, 2016. Temporary suspension of work at Wellington Jute Mill had to be declared due to acute shortage of raw jute in the 1st half of the year under review which also affected the entire Jute Industry and also on account of low productivity at the unit compared to Industry norms. On reopening of Wellington Jute Mill from 17 September, 2016 production started in phases after cleaning and overhauling operations. Export sales was at Rs. 32.32 crore as against Rs. 48.74 crore in the previous year. Lower export sales also were due to the reasons mentioned herein above.

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

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

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

Main unit Wellington Jute Mill at Rishra was under temporary suspension of work from 26 March, 2016 to 16 September, 2016 due to severe shortage of Raw Jute and low productivity at the unit compared to Industry standards. Yarn Unit at Rishra was also under suspension of work from 21st March, 2016 till 31st October, 2016. Weaving unit at Rishra continues to be under work suspension from 23 May, 2015.

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.

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017.

A. CONSERVATION OF ENERGY

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

- a. Replacement of Conventional Fluorescent Lamps with Light Emeidie Diode (LED) type lamp fittings.
- b. Replacing in phased manner High Power Sodium Vapour lamps by Metal Halide Lamp.
- c. Mounting of spinning motors outside machine frame.
- d. Putting variable frequency with driving looms.
- e. Taking care for maximum utilization of energy and to reduce the energy consumption, capacitors have been installed in every department to improve power factor and always try to maintain it to 99% to reduce losses.

All motors, electrical & electronic equipments and machine parts are regularly checked and maintained to reduce losses.

- f. Regular checking and maintenance of Steam pipe lines, valves, steam traps to reduce the loss of steam and finally consumption of fuel in the Boiler.

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

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

“FORM A”

a) POWER AND FUEL CONSUMPTION	<u>Current year</u>	<u>Previous year</u>
i) ELECTRICITY		
a) Purchased Units (KWH)	7663880	16066615
Total Amount (Rs. in lacs)	699.21	1399.59
Rate / Unit (Rs.)	9.12	8.71
b) Own Generation through Diesel Generator (Units)	-	7214
Units per litre of Oil	-	3.07
Cost / Unit (Rs.)	-	18.32
ii) COAL		
(B grade used for generation of steam in boiler)		
Quantity (M. Ton.)	-	1.77
Total Cost (Rs. in lacs)	-	0.16
Average Rate (Rs.)	-	9319
b) CONSUMPTION PER UNIT OF PRODUCTION		
<u>Electricity (KWH/MT)</u>		
Jute/Jute diversified Products and Services	871	753
Flax Products	6957	5557
<u>Coal per ton of Production (M.Ton)</u>		
Jute/Jute diversified Products & Services	-	-
Flax Products	-	-
<u>Production</u>		
Jute & Jute Diversified Products (M. Ton.)	7028	18526
Flax Product (M. Ton.)	222	383

“FORM B”

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

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

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

Technology absorption, adaptation and innovation –

- a) By taking out Motor from Machine to outside Energy saving is 20 units per day per frame.
- b) Motor will remain cool, comparatively clean, wear & tear of Motor will be decreased and most important fire hazards will be eliminated.
- c) Consumption of Bearing will be reduced considerably for spinning section.
- d) By using armoured cable on Spinning Machine Main line fire hazard and line losses will be minimized.
- e) Power factor improved from 94% to 95%

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	:	766.14	1253.76
Earned	:	3231.61	4973.76

Place: Kolkata
Dated: 27th May, 2017

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

ANNEXURE I

DISCLOSURE ON MANAGERIAL REMUNERATION

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

a) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31st March, 2017:

<u>Name</u>	<u>Designation</u>	<u>Remuneration / sitting fee of Directors' to Median Employees' Remuneration (times)</u>
Mr. D J Wadhwa, Chairman	Non-Executive	1.54
Mr. Bhushan Wadhwa	Non-Executive	1.10
Mr. S M Palia	Independent	1.10
Mr. Harbhajan Singh	Independent	0.88
Dr. G Goswami	Independent	2.47
Mr. N Das	Independent	2.47
Dr. B Sen	Independent	0.88
Ms. Ramya Hariharan	Independent	0.66
Mr. N Pujara	Managing Director	37.04

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Company Secretary or Manager in the financial year ended 31st March, 2017 is as follows:

<u>Name</u>	<u>Designation</u>	<u>Percentage Increase in Remuneration/ sitting fees</u>
Mr. D J Wadhwa, Chairman	Non-Executive	Nil
Mr. Bhushan Wadhwa	Non-Executive	66.66*
Mr. S M Palia	Independent	150**
Mr. Harbhajan Singh	Independent	Nil
Dr. G Goswami	Independent	30.23***
Mr. N Das	Independent	69.70****
Dr. B Sen	Independent	Nil
Ms. Ramya Hariharan	Independent	Nil
Mr. N Pujara	Managing Director & CEO	Nil
Mr. P Nagar	Vice President (Finance & Accounts) & CFO	Nil
Mr. B K Chowdhury	Company Secretary (from 01.04.2016 to 24.07.2016)	Nil
Mr. B Dash	Company Secretary (from 25.07.2016 to 11.02.2017)	Nil

*The increase in sitting fees is due to 5 meetings of Board attended in 2016-17 as against 3 meetings in 2015-16

** The increase in sitting fees is due to 5 meetings of Board attended in 2016-17 as against 2 meetings in 2015-16

*** The increase in sitting fee is due to 5 meetings of Board of directors and Audit committee each and 2 meetings of nomination and remuneration committee during 2016-17 against 4 meetings each of Board and Audit Committee and 1 meeting of nomination and remuneration committee in 2015-16.

**** The increase in sitting fee is due to 5 meetings of Board of directors and Audit committee each and 2 meetings of nomination and remuneration committee during 2016-17 against 3 meetings of Board and Audit Committee each and 1 meeting of nomination and remuneration committee in 2015-16.

c) The number of permanent employees on the rolls of the company is 3824.

d) The details of variations in the market capitalization of the Company, Price Earnings Ratio at the closing date of the current financial year and previous financial year are as follows:

The Market Capitalization of the company increased by 25% from Rs. 6800.37 lacs as at March 31, 2016 to 8500.46 lacs as at March 31, 2017. The Price Earning Ratio as at March 31, 2017 was Nil as compared to the Price Earnings Ratio as at March 31, 2016 was Nil.

In the year 2009-10 the company came out with an issue of fully paid 2% Preference Shares of the face value of Rs. 5 each at par to existing equity shareholders of the Company on Rights Basis in ratio of 1 share for every 1 share held on record date. The total issue at a price of Rs.5 each aggregated to Rs. 6,20,91,965/-

The equity shares of the Company closed at Rs. 31.00 on National Stock Exchange of India Ltd. and at Rs. 27.25 on BSE Limited on March 31, 2017 representing an increase of 23% since the last financial year.

e) No variable component in any form was availed by the directors during the financial year ended March 31, 2017.

f) No employee has received remuneration higher than the highest paid director during the financial year ended March 31, 2017.

g) It is hereby affirmed that the remuneration paid during the year ended March 31, 2017 is as per the Remuneration Policy of the Company.

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN:- **L51909WB1917PLC002767**
(ii) Registration Date: **02.01.1917**
(iii) Name of the Company: **AI Champdany Industries Limited**
(iv) Category / Sub-Category of the Company: **Public Company/Limited by Shares**
(v) Address of the Registered office and contact details:
25, Princep Street, Kolkata - 700072; Phone: 22377880
(vi) Whether listed company : **Yes**
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
MCS Share Transfer Agent Ltd, 12/1/5, Manoharpukur Road, Kolkata- 700 026, Phone: 40724051

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	SACKING	63051040	34.35
2	HESSIAN	63051030	28.76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Champdany Constructions Ltd. 33, C R Avenue, Kolkata 700 012	U17232WB1993PLC061248	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**(i) Category-wise Share Holding**

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1865354	-	1865354	6.8027	1865354	-	1865354	6.8027	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	10942496	-	10942496	39.9058	10942496	-	10942496	39.9058	
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Trusts	1971804	-	1971804	7.1909	1971804	-	1971804	7.1909	-
Sub-total (A) (1)	14779654		14779654	53.8994	14779654	-	14779654	53.8994	-

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign						-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)									
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	14779654	-	14779654	53.8994	14779654	-	14779654	53.8994	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	165746	2565770	2731516	9.9615	165746	2565770	2731516	9.9615	-
c) Central Government	60	-	60	0.0002	60	-	60	0.0002	-
d) State Government(s)	-	704	704	0.0026	-	704	704	0.0026	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	1332	1332	0.0048	-	1332	1332	0.0048	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	165806	2567806	2733612	9.9691	165806	2567806	2733612	9.9691	-
2. Non-Institutions									
(a) Bodies Corporate.	115312	405916	521228	1.9009	120353	409150	529503	1.9310	+0.0301
(i) Indian									
(ii) Overseas	-	8533332	8533332	31.1199	-	8533332	8533332	31.1199	-
(b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	463361	171634	634995	2.3157	457135	166128	623263	2.2730	-0.0427
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	218000	-	218000	0.7950	221457	-	221457	0.8076	+0.0126
c) Trust	10	-	10	.0000	10	-	10	0.0000	-
Sub-total (B) (2)	796683	9110882	9907565	36.1315	798955	9108610	9907565	36.1315	
Total Public Shareholding (B) = (B) (1) + (B) (2)	962489	11678688	12641177	46.1006	964761	11676416	12641177	46.1006	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15742143	11678688	27420831	100.0000	15744415	11676416	27420831	100.0000	

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Rishra Investments Ltd	3837832	13.9961	-	3837832	13.9961	-	
Shibir India Limited	2951595	10.7641	-	2951595	10.7641	-	-
Amar Investments Ltd.	2545619	9.2835	-	2545619	9.2835	-	-
Damodardas Jerambhai Wadhwa	2645642	9.6483	-	2645642	9.6483	-	-
Gordhandas Jerambhai Wadhwa	1189300	4.3372	-	1189300	4.3372	-	-
Coopers Wealth Advisors Ltd.	500000	1.8234	-	500000	1.8234	-	-
G Jerambhai Exports Ltd.	550924	2.0091	-	550924	2.0091	-	-
Gunny Dealers Ltd.	203706	0.7429	-	203706	0.7429	-	-
Gojer Brothers Pvt. Ltd.	121332	0.4425	-	121332	0.4425	-	-
Coopers Housing Estates Pvt. Ltd.	106666	0.3890	-	106666	0.3890	-	-
McGregor & Balfour (India) Ltd.	106666	0.3890	-	106666	0.3890	-	-
Libra Transport Ltd.	14932	0.0544	-	14932	0.0544	-	-
National Electronics Pvt. Ltd.	3200	0.0117	-	3200	0.0117	-	-
Bhushan Wadhwa	1732	0.0063	-	1732	0.0063	-	-
Jyoti B Wadhwa	484	0.0018	-	484	0.0018	-	-
Coopers Capital Markets Ltd.	24	0.0001	-	24	0.0001	-	-
Total	14779654	53.8994	-	14779654	53.8994	-	

(iii) Change in promoters Shareholding

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
April 01, 2016	14779654	53.8994	14779654	53.8994
June 30, 2016	-	-	-	-
September 30, 2016	-	-	-	-
December 31, 2016	-	-	-	-
March 31, 2017	-	-	-	-
March 31, 2017	14779654	53.8994	14779654	53.8994

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Aldgate International SA	4266666	15.5599	4266666	15.5599
Blancatex AG	4266666	15.5599	4266666	15.5599
Canara Bank	1949332	7.1089	1949332	7.1089
Bank of India	483530	1.7634	483530	1.7634

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
Bank of Baroda	233568	0.8518	233568	0.8518
Upkar Distributers Pvt. Ltd.	213332	0.7780	213332	0.7780
Harsha Hitesh Javeri	100000	0.3647	103457	0.3773
Apson Sales Promotion Pvt Ltd	93332	0.3404	93332	0.3404
Frank Jute Impex Pvt. Ltd.	93332	0.3404	93332	0.3404
Hitesh Ramji Javeri	70000	0.2553	70000	0.2553

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Equity Shares	% of total Shares of the company	No. of Equity Shares	% of total Shares of the company
1	Mr. D J Wadhwa	2645642	9.6483	2645642	9.6483
2	Mr. N Pujara	3400	0.0124	3400	0.0124
3	Mr. N Das	2666	0.0097	2666	0.0097
4	Mr. B Wadhwa	1732	0.0063	1732	0.0063
5	Mr. S M Palia	266	0.0010	266	0.0010

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

In Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	1054904125	29000000	-	1083904125
(ii) Interest disputed	-	2901242	-	2901242
(iii) Interest accrued but not due	3871650	-	-	3871650
Total (i+ii+iii)	1058775775	31901242	-	1090677017
Change in indebtedness during the financial year				
• Addition	-	50000000	-	50000000
• Reduction	86536157	-	-	86536157
Net Change	86536157	50000000	-	36536157
Indebtedness at the end of the financial year				
(i) Principal Amount	969646077	79000000	-	1048646077
(ii) Interest disputed	-	2901242	-	2901242
(iii) Interest accrued but not due	2593541	-	-	2593541
Total (i+ii+iii)	972239618	81901242	-	1054140860

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

In Rs.

Particulars of Remuneration	Name of the Managing Director
	Mr. Nirmal Pujara
1. Gross Salary	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,00,000
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2. Stock Option	-
3. Sweat Equity	-
4. Commission	-
as % of profit	-
others, specify...	-
5. Others, please specify	
Total (A)	42,00,000
Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013

B. Remuneration to other Directors:

In Rs.

Particulars of Remuneration	Name of Directors						Total
	Mr. S M Palia	Mr. N Das	Dr. G Goswami	Mr. H B Singh	Dr. B. Sen	Ms. R Hariharan	
Independent Directors							
Fee for attending board / committee meeting	1,25,000	2,80,000	2,80,000	1,00,000	1,00,000	75,000	9,60,000
Commission	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-
Total (1)	1,25,000	2,80,000	2,80,000	1,00,000	1,00,000	75,000	9,60,000
Other Non-Executive Directors	Mr. D. J. Wadhwa		Mr. B. Wadhwa				
Fee for attending board / committee meeting	1,75,000		1,25,000				3,00,000
Commission	-		-				-
Others, please specify	-		-				-
Total (2)	1,75,000		1,25,000				3,00,000
Total (B)=(1+2)							12,60,000
Total Managerial Remuneration							12,60,000
Overall Ceiling as per the Act	The remuneration is well within the limits prescribed under the Companies Act, 2013						

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

In Rs.

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,24,968	12,00,000	19,24,968
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify...	-	-	-
	Total	7,24,968	1200000	19,24,968

VII. PENALTIES/ PUNISHMENT/COMPOUNDING OF OFFENCES:

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

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31ST DAY OF MARCH, 2017**

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

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

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

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017 according to the provisions of:

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

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

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

We further report that:

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

Adequate Notice is given to all Directors to schedule the Board/ Committee Meetings. Information and circulation of the agenda with detailed information thereof, convening of meetings was done in compliance with the applicable laws, rules, regulations and guidelines, etc. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

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

We further report that during the period under review, Mr. Binaya Kumar Dash has resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 11th of February, 2017.

For K. Arun & Co
Company Secretaries
Arun Kumar Khandelia
Partner
C.P. No.: 2270

Place: Kolkata
Date : 19.05.2017

FORM AOC-1

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

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

Part "A": Subsidiaries

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

1. Sl. No.	: 1
2. Name of the subsidiary	: Champdany Constructions Ltd.
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	: Not Applicable
4. Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	: Not Applicable
5. Share Capital	: Rs. 810.20 lacs
6. Reserves & Surplus	: Rs. 26.20 "
7. Total Assets	: Rs. 882.23 "
8. Total Liabilities	: Rs. 882.23 "
9. Investments	: Rs. 1.95 "
10. Turnover	: Rs. 23.44 "
11. Profit before taxation	: Rs. 0.36 "
12. Provision for taxation	: Rs. 0.01 "
13. Profit / (Loss) after taxation	: Rs. 0.35 "
14. Proposed Dividend	: NIL
15. % of shareholding	: 100%

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

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

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**To the Members of AI Champdany Industries Limited**

We have examined the compliance of conditions of Corporate Governance by AI Champdany Industries Limited for the year ended 31 March 2017, as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (collectively referred to as SEBI Listing Regulations, 2015).

The compliance of conditions of the Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations, 2015.

We 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: 27 May 2017

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

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2017

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

Company's Philosophy on Code of Governance

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

Board of Directors

The Board of Directors comprises of nine Directors, out of which two are promoter non-executive Directors, one Managing Director and Six Non-executive Independent Directors (including one woman Director).

The Directors bring to the board a wide range of experience and skills. Brief profiles of the Directors, are set out elsewhere in the annual report. The composition of the board is in conformity with Regulation 26(1) of the Listing Regulations. As per the Listing Regulations, no Director can be a member in more than 10 committees or act as chairman of more than 5 committees across all public companies in which he is a Director. All the Independent Directors qualify the conditions for being Independent Director as prescribed under Regulations. No Director is related to any Director. Further, the Board periodically reviews compliance reports of all laws applicable to the company and necessary steps are being taken to ensure the compliance in 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.

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

Name of the Director	DIN	Category	Attendance		No. of Directorships and committee Memberships/ Chairmanships in other companies		
			Board Meetings	Last AGM	Other Directorships**	Committee Memberships	Committee Chairmanships
Mr. D. J. Wadhwa	00046180	Promoter Non-Executive Chairman	5	Yes	3	-	-
Mr. S. M. Palia	00031145	Independent Non-Executive	5	Yes	4	2	1
Mr. Harbhajan Singh	00237556	Independent Non-Executive	2	No	9	1	1
Dr. B. Sen	00056861	Independent Non-Executive	4	No	3	5	2
Dr. G. Goswami	00024209	Independent Non-Executive	5	Yes	5	4	1
Mr. N. Das	00080612	Independent Non-Executive	5	Yes	3	3	2
Mr. N. Pujara	00047803	Executive Director	5	Yes	12	-	4
Mr. B. Wadhwa	00407790	Promoter Non-Executive	5	Yes	9	-	-
Ms. Ramya Hariharan	06928511	Independent Non-Executive	3	No	6	6	-

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

Responsibilities

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

Independent Directors

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

Role of Independent Directors

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

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

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

Training of Independent Directors

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

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

Performance Evaluation of Non-executive and Independent Directors

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, finance, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on 10th February, 2017, without the attendance of Non-Independent Directors and members of Management. The following issues were discussed in detail:

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

Meetings of the Board

During the financial year ended 31st March 2017 Five Board meetings were held on 30th May 2016, 14th June, 2016, 12th August 2016, 10th November 2016 and 10th February 2017.

Audit Committee

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

It has the following terms of reference and composition:

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

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

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

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

Composition, Meetings and Attendance:

The Audit Committee of the Company comprises four Directors- three of whom are Independent, Non-Executive and one is promoter, Non-Executive upto 14th June, 2016. 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 Managing 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 Listing Regulations and the provisions of the Companies Act, 2013.

During the financial year ended 31 March 2017, Five Audit Committee meetings were held on 28th May 2016, 14th June, 2016, 12th August 2016, 9th November 2016 and 9th February 2017.

<u>Name of Member</u>	<u>Designation</u>	<u>No. of Meetings Attended</u>
Mr. Harbhajan Singh	Independent Non-Executive Director	2
Mr. N Das	Independent Non-Executive Director	5
Dr. G Goswami	Independent Non-Executive Director	5
Mr. D J Wadhwa	Promoter Non-Executive Director (upto 14th June, 2016)	2

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 Managing Director/Chief Financial Officer, Company Secretary and other senior employees based on their performance.

The role of the Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a Director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a

policy on Board diversity; and identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The Nomination and Remuneration Committee has formulated the criteria for Board evaluation.

Meetings: During the financial year ended 31st March 2017, there were two (2) meetings of the Committee held on 29th May 2016 and 28th March, 2017.

<u>Name of Member</u>	<u>Designation</u>	<u>No. of Meetings Attended</u>
Mr. Harbhajan Singh	Independent Non-Executive Director	Nil
Mr. N Das	Independent Non-Executive Director	2
Dr. G Goswami	Independent Non-Executive Director	2

DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017

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 2016-17 is as under:

(Amount in Rs.)

Name of the Director	Meeting Fees			Total	No. of shares held	
	Audit Committee	Board	Other * Committees		Equity	2% Preference
Mr. S M Palia	-	1,25,000	-	1,25,000	266	500
Mr. Harbhajan Singh	50,000	50,000	-	1,00,000	-	-
Dr. G Goswami	1,25,000	1,25,000	30,000	2,80,000	-	-
Mr. D J Wadhwa	50,000	1,25,000	-	1,75,000	2,645,642	-
Mr. N Das	1,25,000	1,25,000	30,000	2,80,000	2,666	-
Dr. B Sen	-	1,00,000	-	1,00,000	-	-
Mr. B Wadhwa	-	1,25,000	-	1,25,000	1,732	1,532
Ms. Ramya Hariharan	-	75,000	-	75,000	-	-
Total	3,50,000	8,50,000	60,000	12,60,000		

* for attending Nomination and Remuneration Committee Meeting.

B. Remuneration to Managing Director

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

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

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

Name of the Managing Director	Salary (Rs)	Remarks
Mr. Nirmal Pujara	42,00,000	Elevated as Managing Director w.e.f 12th May 2014 for a period till 31st December, 2017. The contract is terminable by either party by giving 3 months notice.

Stakeholders' Relationship Committee

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

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

During the financial year ended 31st March 2017, No Committee Meeting was held.

The detailed positions 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 31st March 2017 – NIL

Investors' grievances are resolved expeditiously.

Compliance Officer:

Mr. Binod Kumar Chowdhury, Sr General Manager (Accounts) and Company Secretary has been designated as Compliance Officer w.e.f. 1st April 2016 to 24th July, 2016 and Mr. Binaya Kumar Dash has been appointed as Company Secretary & Compliance Officer from 25th July, 2016 to 11th February, 2017.

General Body Meeting

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

Financial Year	Location of Meeting	Date	Time
2013-2014	Bengal National Chamber of Commerce & Industry 1st Floor, 23, Sir R N Mukherjee Road, Kolkata – 700 001	12 August 2014	10:30 A.M.
2014-2015	Bengal National Chamber of Commerce & Industry 1st Floor, 23, Sir R N Mukherjee Road, Kolkata – 700 001	14 August 2015	10:30 A.M.
2015-2016	Bharatiya Bhasha Parishad 4th Floor, 36A, Shakespeare Sarani, Kolkata – 700 017	12 August, 2016	4.00 P.M.

No Special Resolution was passed in the last Annual General Meeting held on 12th August 2016:

Subsidiary

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

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

Disclosures

Related party transactions

There were no transactions with related parties that may have potential conflict with the interest of the Company.

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

The material financial and commercial transactions where persons in management have personal interest, exclusively relate to transactions involving Key Management Personnel forming part of the disclosure on related parties referred to in Note No. 35 to Annual Accounts, which were reported to Board of Directors. The Register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for approval.

Capital Markets

The Company has complied with all the legal requirements related to Capital Markets during the year 2016-17.

Whistle Blower policy

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

Issue of Shares

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

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

Means of Communication

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

General Shareholders' information:

a) AGM date, time and venue

Annual General Meeting is to be held on Thursday, the 21st day of September 2017 at 10.30A.M. at the Auditorium of Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata - 700017.

b) Financial Calendar 2017-18 (Tentative)

Financial year: 1 April to 31 March.

Unaudited Financial Result for the 1st quarter ending on 30 June 2017 : Within 14th August 2017

Unaudited Financial Result for the 2nd quarter / half year ending on 30 September 2017 : Within 14th November 2017

Unaudited Financial Result for the 3rd quarter/ Nine month ending on 31 December 2017 : Within 14th February 2018

Audited Annual Results (i.e. year ending on 31 March 2018) : Within 30th May, 2018

c) Book Closure period: From 15th September, 2017 to 21st September, 2017 (both days inclusive).

d) Listing on Stock Exchange

The Company's Equity shares are listed on BSE Ltd. and National Stock Exchange of India Ltd. Annual Listing fees as prescribed have been paid to the Stock Exchanges for the year 2017-18.

e) Scrip Code

Bombay Stock Exchange

532806

National Stock Exchange

AICHAMP

f) Stock price data

<u>Month</u>	<u>BSE</u>		<u>NSE</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
April, 2016	29.35	22.35	28.65	26.00
May, 2016	26.90	21.65	27.10	24.65
June, 2016	29.50	21.70	31.50	26.80
July, 2016	28.50	21.55	31.00	23.10
August, 2016	25.95	21.50	26.50	21.70
September, 2016	28.10	22.30	29.65	26.80
October, 2016	31.40	26.80	30.00	24.25
November, 2016	34.60	25.80	32.15	25.10
December, 2016	33.40	21.30	33.90	23.55
January, 2017	29.35	23.70	28.15	23.25
February, 2017	31.80	25.30	25.85	21.90
March, 2017	30.35	24.90	31.50	22.55

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 15 days from the date of receipt and demat requests are normally confirmed within an average of 15 days from the date of receipt.

i) Distribution of Shareholding as on 31 March 2017

<u>Group of Shares</u>	<u>Equity</u>			
	<u>No. of Shareholders</u>	<u>% of shareholders</u>	<u>No. of Shares held</u>	<u>% of Total Shares</u>
1 to 500	2957	89.7148	210145	0.7664
501 to 1000	153	4.6420	107367	0.3915
1001 to 2000	88	2.6699	124467	0.4539
2001 to 3000	27	0.8192	66714	0.2433
3001 to 4000	14	0.4248	49155	0.1793
4001 to 5000	6	0.1820	27574	0.1005
5001 to 10000	4	0.1214	27196	0.0992
10001 to 50000	9	0.2730	169657	0.6187
50001 to 100000	6	0.1820	434805	1.5857
100001 and above	32	0.9709	26203751	95.5615
GRAND TOTAL	<u>3296</u>	<u>100.0000</u>	<u>27420831</u>	<u>100.0000</u>

2% Preference Share

<u>Group of Shares</u>	<u>No. of Shareholders</u>	<u>% of shareholders</u>	<u>No. of Shares held</u>	<u>% of Total Shares</u>
1 to 500	67	69.7917	11010	0.0887
501 to 1000	7	7.2916	6532	0.0526
1001 to 2000	5	5.2083	7163	0.0577
2001 to 3000	2	2.0833	4800	0.0387
3001 to 4000	3	3.1250	10400	0.0838
4001 to 5000	1	1.0417	5000	0.0403
5001 to 10000	1	1.0417	10000	0.0805
10001 to 50000	1	1.0417	30000	0.2416
50001 to 100000	1	1.0417	73142	0.5892
100001 and above	8	8.3333	12256306	98.7269
GRAND TOTAL	<u>96</u>	<u>100.0000</u>	<u>12414353</u>	<u>100.0000</u>

j) Categories of Shareholders as on 31 March 2017

<u>Particulars</u>	<u>Equity</u>			<u>2% Preference</u>		
	<u>No. of Holders</u>	<u>Holding/ Shares held</u>	<u>% to Capital</u>	<u>No. of Holders</u>	<u>Holding/ Shares held</u>	<u>% to Capital</u>
Promoters Group	30	14779654	53.8994	8	9773156	78.7247
Indian Financial Institutions/Banks	29	2731516	9.9615	4	2558332	20.6078
Central / State Government	3	764	0.0028	-	-	-
Foreign Institutional Investors	2	1332	0.0048	-	-	-
Bodies Corporate	106	526065	1.9185	8	6790	0.0547
Trust & Foundations	1	10	0.0000	-	-	-
NRI	34	3438	0.0125	-	-	-
Foreign Bodies Corporate	2	8533332	31.1199	-	-	-
Individual & others	3089	844720	3.0806	76	76075	0.6128
Total	<u>3296</u>	<u>27420831</u>	<u>100.0000</u>	<u>96</u>	<u>12414353</u>	<u>100.0000</u>

k) Dematerialization of shares

As on 31 March 2017, 57.4177% of total holding of Equity Shares and 79.3779 % of total holding of 2% Preference Shares have been dematerialised.

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

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

m) Plant Location :

As appearing on the first page of Annual Report

n) Investors' Correspondence :

For assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividends and any other queries relating to shares, investors may write to: Share Department, AI Champdany Industries Limited, 25, Princep Street, Kolkata-700 072; Telephone (033) 2237 7880 to 85;

Fax: (033) 2225 0221, 2236 3754 or Company's Registrar and Share Transfer Agent M/s MCS Share Transfer Agent Ltd., 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 124(5) of the Companies Act, 2013, all dividend remaining unpaid/unclaimed for a period of 7 years from the date they became due for payment will have to be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government. The company has already transferred to the IEPF unpaid/unclaimed dividend for the financial year ended 31 March 2008 which remained unpaid/unclaimed for a period of 7 years from the date they became due.

p) Appointment/Re-appointment of Directors

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

q) Auditors' certificate on Corporate Governance

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

r) CEO/CFO Certification

The Managing Director and 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 regulation 17(8) of Listing Regulations for CEO/CFO Certification.

s) Code of Conduct:

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

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

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

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

Mandatory and non-mandatory requirements

(a) Status of Compliance of the mandatory requirements

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

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

The Company is maintaining Chairman's Office for a non-executive Chairman. The Company has not adopted non-mandatory suggestions relating to sending six-monthly information to each household of shareholders.

Declaration by the Managing Director on the Code of Conduct:

Pursuant to Regulation 26 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 I, Nirmal Pujara, Managing Director of AI Champdany Industries Ltd. declare that all the Board Members & Senior Executives of the company have affirmed their compliance with the Code of Conduct during the year ended 31 March 2017.

Place: Kolkata
Dated: 27th May 2017

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 2017 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 2017 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 and that the same have been disclosed in the notes to the financial statements; and
 - iii) We are not aware of any instances during the year of significant fraud and the involvement therein if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 27 May 2017

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

N Pujara
Managing Director

AUDITOR'S REPORT ON ABRIDGED ACCOUNTS

To the Members of

AI Champdany Industries Limited

We have examined the abridged Balance Sheet of AI Champdany Industries Limited ('the Company') as at 31 March 2017 and the related abridged Profit and Loss Account for the year ended on that date annexed thereto and abridged Cash Flow Statement for the year ended on that date together with the Significant Accounting Policies and Notes thereon. These abridged Financial Statements have been prepared by the company pursuant to Rule 10 of the Companies (Accounts) Rules 2014 and are based on the Audited Financial Statements of the company for the year ended 31 March 2017 prepared in accordance with provision of Section 129 of the Companies Act, 2013 and covered by our report of even date to the members of the company which is attached hereto.

Date: 27 May 2017
Place: Kolkata

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

INDEPENDENT AUDITOR'S REPORT

To the Members of AI Champdany Industries Limited Report on the Financial Statements for the Year ended 31 March 2017

We have audited the accompanying standalone financial statements of AI Champdany Industries Limited ("the Company") which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its Loss and its Cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - they refer Note 23 to the financial statements ;
 - ii. The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Kolkata,
Dated: 27 May 2017

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

"Annexure A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report even date)
Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AI Champdany Industries Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk

that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Kolkata,
Dated: 27 May 2017

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

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal & Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed Assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of self-constructed buildings on lease hold land which are disclosed as fixed assets in the financial statements, the land lease agreement is in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The company has not granted any loans, made investments or provided guarantees and hence reporting under

- clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost records and Audit) Rules, 2014, as amended prescribed by the central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory due, including Provident Fund, Employees' State Insurance, Income tax, sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income tax, sales Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues in arrear as at 31st March, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-Tax, Sales Tax, Service Tax, Customs Duty, Excise duty and Value Added Tax which have not been deposited as on 31st March, 2017 on account of disputes are given below.

Name of the Statute	Nature of dues	Forum where dispute is pending	Amount Involved (Rs in lacs)
Bhatpara Municipality	Municipal Tax & Land Revenue	Review Board	188.55
ESI Act	ESI dues	ESI Court	328.01
Central sales Tax 1956 & West Bengal Sales Tax Act, 1994	Sales Tax	ACCT WBCTA & RB SJCCT	2.10 272.15 18.37
Income Tax Act, 1961	Income Tax	CIT (Appeal)	1235.07
Service Tax	Service Tax	CESTAT	202.13

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term Loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with section 188 and 177 of The Companies Act, 2013, were applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (xiv) During the year Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of Companies Act, 2013 are not applicable.
- (xvi) The company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Kolkata,
Dated: 27 May 2017

AI CHAMPDANY INDUSTRIES LIMITED
ABRIDGED BALANCE SHEET AS AT 31 MARCH 2017

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

Rs. in lacs

		As at 31 March 2017	As at 31 March 2016
I	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	a) Paid-up Share Capital		
	i) Equity	1,371.04	1,371.04
	ii) Preference	620.72	620.72
	b) Reserve & Surplus		
	i) Capital Reserve(including revaluation reserve)	2,204.96	2,379.68
	ii) Revenue Reserve	6,305.61	6,305.61
	iii) Surplus	(1,526.40)	(949.76)
2	Non-current Liabilities		
	a) Long Term Borrowings	1,196.00	1,995.00
	b) Other Long- term Liabilities	3,088.40	1,613.34
3	Current Liabilities		
	a) Short-term Borrowings	7,970.46	8,059.04
	b) Trade Payables	2,139.35	3,928.87
	c) Other Current Liabilities	2,703.13	2,776.15
	d) Short-term Provisions	597.59	526.41
	Total (1 to 3)	26,670.86	28,626.10
II	ASSETS		
4	Non-current Assets		
	a) Fixed Assets		
	i) Tangible Assets (original cost less depreciation)	6,353.94	7,853.44
	ii) Capital Work- in -Progress	1,310.12	1,310.12
	b) Non-current Investments	849.48	843.72
	c) Deferred Tax Asset (Net)	944.62	600.82
5	Current Assets		
	a) Inventories	12,742.53	13,530.66
	b) Trade Receivables	1,943.81	2,135.90
	c) Cash and cash equivalents	485.96	458.10
	d) Short-term Loans and Advances	2,040.40	1,893.34
	Total (4 to 5)	26,670.86	28,626.10

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

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

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

S.K.Nayak
Partner
Membership No.58711
Kolkata, 27 May 2017

B.K.Chowdhury
Company Secretary &
Compliance Officer

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

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

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

AI CHAMPDANY INDUSTRIES LIMITED
ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017
(Statement containing salient features of the Statement of Profit and Loss as per Section 136 (I) of the Companies Act, 2013)

Rs. in lacs

	2016-17	2015-16
I INCOME		
Revenue from operations		
Sale of Products, Services and Related Income	10,716.75	21,825.49
Less: Excise Duty & Cess	54.80	160.79
Net Revenue from operations	10,661.95	21,664.70
II Other Income	489.51	262.62
III Total Income (I+II)	11,151.46	21,927.32
IV EXPENDITURE		
a) Cost of materials Consumed	4,938.68	10,879.50
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(182.09)	202.82
c) Employee benefits expense	3,570.39	6,180.60
d) Finance costs	1,152.45	1,273.40
e) Depreciation and amortisation expenses	406.05	513.17
f) Other expenses	2,186.41	3,870.02
Total Expenditure (a to f)	12,071.89	22,919.51
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)	(920.43)	(992.19)
VI Exceptional items	-	-
VII Profit/(Loss) before extraordinary items and tax (V-VI)	(920.43)	(992.19)
VIII Extraordinary items	-	-
IX Profit/(Loss) Before Tax (VII-VIII)	(920.43)	(992.19)
X Deferred Tax (Assets)	(343.79)	(449.52)
XI Profit/(Loss) after tax (IX-X)	(576.64)	(542.67)
XII Earnings per share (face value of Rs. 5 each)		
Basic and Diluted (Rs.)	(2.10)	(1.98)

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

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

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

S.K.Nayak
Partner
Membership No.58711
Kolkata, 27 May 2017

B.K.Chowdhury
Company Secretary &
Compliance Officer

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

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

AI CHAMPDANY INDUSTRIES LIMITED
ABRIDGED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

Rs. in lacs

	2016-17	2015-16
1 Cash flow from operating activities	(195.29)	676.94
2 Cash flow from investing activities	1075.73	(293.63)
3 Cash flow from financing activities	(852.58)	(433.49)
4 Net increase/(decrease) in cash and cash equivalents	27.86	(50.18)
5 Cash and cash equivalents at the beginning of period	458.10	508.28
6 Cash and cash equivalents at the end of period	485.96	458.10

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

For D.P. Sen & Co. Chartered Accountants FRN 301054E S.K.Nayak Partner Membership No.58711 Kolkata, 27 May 2017	B.K.Chowdhury Company Secretary & Compliance Officer	Prakash Nagar Vice President (F&A) & Chief Financial Officer
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	On behalf of the Board B. Wadhwa N. Pujara } Directors
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NOTES TO ABRIDGED BALANCE SHEET AND ABRIDGED PROFIT AND LOSS ACCOUNT

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 of Fixed Assets is provided to the extent of depreciable amount on the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act 2013.

(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. Liability has been provided at the year end 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. (Note No.23 of Accounts)
 - i) Contingent liabilities Rs. 3,718.57 lacs (Previous year Rs. 4,016.58 lacs).
 - ii) Dividend on Cumulative Preference Shares are in arrears since 30 March 2010, Rs. 104.67 lacs (previous year Rs. 89.73 lacs) including Dividend Distribution Tax Rs.17.70 lacs (previous year Rs. 15.18 lacs).
 3. (Note No.24 of Accounts)
Revenue from operations comprises of Sale of Jute / Jute diversified Products & Services Rs.6,921.23 lacs (2015-16 - Rs. 19,280.82 lacs), Sale of Flax Products Rs.807.47 lacs (2015-16 - Rs. 1,500.90 lacs), Sale of Raw Jute Rs.152.84 lacs (2015-16 – Rs. 62.08 lacs), Sale of Flax Fibre Rs.183.38 lacs (2015-16 - Rs. 178.05 lacs) and Sales Related Income Rs.2,651.83 lacs (2015-16- Rs. 803.64 lacs).
 4. (Note No.33 of Accounts)
Segment Information:
The Company has considered two Business Segments viz; Jute/jute diversified Products & Services and Flax Products.

A. Primary Segment Disclosure

Particulars	Rs. in lacs					
	Jute/Jute diversified products & Services		Flax Products		Total	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Segment Revenue						
External Turnover	9,252.11	19,907.65	1,409.84	1,757.05	10,661.95	21,664.70
Other Income	489.51	262.04	-	-	489.51	262.04
Segment Result	35.60	100.61	196.42	180.02	232.02	280.63
Unallocated					-	0.58
Operating Profit					232.02	281.21
Finance Cost					1,152.45	1,273.40
Income Taxes					(343.79)	(449.52)
Net Profit / (Loss)					(576.64)	(542.67)
Other Information						
Segment Assets	20,943.78	23,892.59	3,926.17	3,261.33	24,869.95	27,153.92
Unallocated					1800.91	1,472.18
Total Assets					26,670.86	28,626.10
Segment Liabilities	15,911.99	17,661.23	1,782.94	1,237.58	17,694.93	18,898.81
Unallocated					-	-
Total Liabilities					17,694.93	18,898.81
Capital Expenditure	32.95	205.71	23.63	163.26	56.58	368.97
Depreciation	243.26	366.72	164.02	158.70	407.28	525.42
Amortization	1.23	-	-	12.25	1.23	12.25

B. Information about Secondary Segments

a) Revenue & Sundry Debtors as per Geographical Markets

Particulars	Rs. in lacs			
	Revenue		Sundry Debtors	
	31.03.17	31.03.16	31.03.17	31.03.16
India	7,919.85	16,953.56	1,801.21	2,011.84
Outside India	3,231.61	4,973.76	142.60	124.06
Total	<u>11,151.46</u>	<u>21,927.32</u>	<u>1,943.81</u>	<u>2,135.90</u>

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

5. (Note No.34 of Accounts)

	Rs. in lacs	
	Year ended 31.03.17	Year ended 31.03.16
Deferred Tax:		
(i) Liability / (Assets) at the beginning of the year	(600.82)	(151.30)
(ii) Difference between book & tax depreciation	(45.69)	(25.78)
(iii) On carried forward losses as per Income Tax calculations	(298.11)	(423.74)
(iv) Deferred tax Liability / (Assets) at the end of the year	<u>(944.62)</u>	<u>(600.82)</u>

6. (Note No.35 of Accounts)

Related Party Disclosures: As per Accounting Standard 18, the disclosures of the transactions with related parties are given below:-

- (a) List of Related Parties where control exists and related parties with whom transactions have taken place and relationships:

<u>Parties</u>	<u>Relationship</u>
Champdany Constructions Limited	Subsidiary-100%
AIC Properties Ltd.	Others
Landale & Clark Ltd.	"
G Jerambhai Exports Ltd.	"
Gunny Dealers Ltd.	"
Libra Exporters Ltd.	"
Libra Transport Ltd.	"
McGregor & Balfour India Ltd.	"
Jessore Industries (India) Ltd.	"
Naffar Chandra Jute Mills Ltd.	"
Eastern Services Ltd.	"
Baidyabati Industries Ltd.	"
West Bengal Multifibre Jute Park Ltd.	"
Jerambhai Seva Trust	"
V B Seva Trust	"
Circus Avenue Properties Private Ltd.	"
Shibir India Ltd.	"
Amar Investments Ltd.	"
Rishra Investments Ltd.	"
Gojer Brothers Private Ltd.	"
West Range Properties Private Ltd.	"
Coopers Commodities Ltd.	"
Coopers Wealth Advisors Ltd.	"
Mr. Nirmal Pujara	Key Managerial Personnel

- (b) Transaction during the year with related parties

<u>Sr No</u>	<u>Nature of Transactions (Excluding Reimbursement)</u>				<u>Rs. in lacs</u>
		<u>Subsidiary</u>	<u>Key Managerial Personnel</u>	<u>Others</u>	<u>Total</u>
1	Revenue from Operations	-	-	256.54	256.54
		-	-	1710.41	1710.41
2	Other Income	-	-	1.20	1.20
		-	-	1.20	1.20
3	Purchases /Material Consumed	-	-	423.78	423.78
		-	-	1299.00	1299.00
4	Transport & Handling	-	-	30.84	30.84
		-	-	78.85	78.85
5	Payment to Key Managerial Personnel	-	48.22	-	48.22
		-	54.52	-	54.52

Sr No	Nature of Transactions (Excluding Reimbursement)	Subsidiary	Key Managerial Personnel	Others	Rs. in lacs
					Total
6	Rent	-	-	8.42	8.42
		-	-	8.40	8.40
7	Professional Fees	-	-	1.20	1.20
		-	-	1.20	1.20
8	Finance Costs	-	-	-	-
		-	-	0.23	0.23
<u>Balances as on 31 March 2017</u>					
1	Investments	812.20	-	14.05	826.25
		<i>812.20</i>	-	8.29	<i>820.49</i>
2	Trade Receivables	-	-	-	-
		-	-	146.89	146.89
3	Loans and Advances	-	-	44.18	44.18
		-	-	-	-
4	Trade Payables	-	-	237.58	237.58
		-	-	320.35	320.35
5	Other Payable	-	-	2066.00	2066.00
		-	-	1763.36	1763.36
6	Unsecured Loan	-	-	500.00	500.00
		-	-	-	-
7	Other Current Liabilities	-	-	1115.06	1115.06
		-	-	157.25	157.25

Note: Figures in italic represents previous year's amount.

7. (Note No.37 of Accounts)

	Year ended 31.03.17	Year ended 31.03.16
Earning Per Share (EPS) has been computed as under:		
a) Profit (Loss) after Tax (Rs. in lacs).	(576.64)	(542.67)
b) No. of Equity shares (Basic & Weighted Average)	27,420,831	27,420,831
c) Earning per share (Face Value Rs.5) (a) / (b)} Basic & Diluted (Rs.)	(2.10)	(1.98)

8. (Note No.41 of Accounts)

As approved by way of special Resolution passed by shareholders on 14.03.2014 by way of Postal Ballot, the Company sold its Anglo-India Jute Mill (Middle Mill) located at Jagatdal, Dist. 24 Parganas (North), West Bengal w.e.f. 01.05.2016 to M/s P & A Distilleries Private Limited (subsequently name changed to Anglo-India Jute & Textile Industries Private Limited w.e.f. 14.05.2016).

9. Previous year's figures have been rearranged / reclassified / regrouped wherever necessary and to make it in conformatory with the amended Schedule III to the Companies Act, 2013.

D.P. Sen & Co.
Chartered Accountants
FRN 301054E
S.K.Nayak
Partner
Membership No.58711
Kolkata, 27 May 2017

B.K.Chowdhury
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 ABRIDGED CONSOLIDATED ACCOUNTS

To the Members

AI Champdany Industries Limited

We have examined the abridged Consolidated Balance Sheet of AI Champdany Industries Limited ('the Company') its subsidiary as at 31 March 2017 and the related abridged Consolidated Profit and Loss Account for the year ended on that date annexed thereto and abridged Consolidated Cash Flow Statement for the year ended on that date together with the Significant Accounting Policies and Notes thereon. These abridged Consolidated Financial Statements have been prepared by the company pursuant to Rule 10 of the Companies (Accounts) Rules 2014 and are based on the Audited Consolidated Financial Statements of the company for the year ended 31 March 2017 prepared in accordance with requirements of Accounting Standard (AS) 21 "Consolidated Financial Statements" notified under Companies (Accounting Standard) Rules 2015 covered by our report of even date to the Members of the Company which is attached hereto.

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

Date: 27 May 2017
Place: Kolkata

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF AI CHAMPDANY INDUSTRIES LIMITED

Report on the Consolidated Financial Statements for the year ended 31 March 2017

A. We have audited the attached Consolidated Balance Sheet of AI Champdany Industries Limited, and its subsidiary, ("the group") as at 31 March 2017, 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. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

D. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

- E. 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 on 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 to the Accounts regarding the matter set out in para H below, give a true and fair view in conformity with the 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 2017 and
 - b) in the case of Statement of Consolidated Profit and Loss of the Consolidated Results of operation of the group for the year then ended and
 - c) in the 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 statement of the subsidiary, whose financial statements reflect total assets (net) of Rs.836.39 lacs as at 31 March 2017 and total profit (net) of Rs.0.35 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. Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary included in the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary included in the Group including relevant records relating to preparation of the aforesaid consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31 2017 on the consolidated financial position of the Group, they refer Note 25 to the consolidated financial statements.
 - ii. The Holding Company and its subsidiary did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, during the year ended March 31 2017.

Kolkata,
Dated: 27 May 2017.

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

Annexure "A" to the Consolidated Auditor's Report

(Referred to in paragraph I(f) under 'Report on Other Legal and Regulatory Requirements' of our report even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of AI Champdany Industries Limited ("the Holding Company") as of 31st March, 2017 and its Subsidiary Company in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Directors of the Holding Company and its Subsidiary Companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial

controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one Subsidiary Company, which is incorporated in India, is based on the corresponding report of the Auditors of such Company. Our opinion is not qualified in respect of this matter.

Kolkata,
Dated: 27 May 2017

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

AI CHAMPDANY INDUSTRIES LIMITED

ABRIDGED CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

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

Rs. in lacs

		As at 31 March 2017	As at 31 March 2016
I	EQUITY AND LIABILITIES		
1	Shareholders' Funds		
	a) Paid-up Share Capital		
	i) Equity	1,371.04	1,371.04
	ii) Preference	620.72	620.72
	b) Reserve & Surplus		
	i) Capital Reserve(including revaluation reserve)	2,204.96	2,379.68
	ii) Revenue Reserve	6,305.61	6,305.61
	iii) Surplus	(1,497.24)	(920.92)
2	Non-current Liabilities		
	a) Long Term Borrowings	1,196.00	1,995.00
	b) Other Long- term Liabilities	3,088.40	1,613.34
3	Current Liabilities		
	a) Short-term Borrowings	7,970.46	8,059.04
	b) Trade Payables	2,139.35	3,930.27
	c) Other Current Liabilities	2,747.21	2,782.83
	d) Short-term Provisions	597.59	526.41
	Total (1 to 3)	26,744.10	28,663.02
II	ASSETS		
4	Non-current Assets		
	a) Fixed Assets		
	i) Tangible Assets (original cost less depreciation)	7,178.14	8,682.03
	ii) Intangible Assets (original cost less depreciation/amortisation)	5.26	6.31
	iii) Capital Work- in -Progress	1,310.12	1,310.12
	b) Non-current Investments	39.23	33.47
	c) Deferred Tax Asset (Net)	944.62	600.82
5	Current Assets		
	a) Inventories	12,742.53	13,530.66
	b) Trade Receivables	1,946.64	2,144.64
	c) Cash and cash equivalents	531.63	458.36
	d) Short-term Loans and Advances	2,045.93	1,896.61
	Total (4 to 5)	26,744.10	28,663.02

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

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

For D.P. Sen & Co.

Chartered Accountants

FRN 301054E

S.K.Nayak

Partner

Membership No.58711

Kolkata, 27 May 2017

B.K.Chowdhury

Company Secretary &

Compliance Officer

Prakash Nagar

Vice President (F&A) &

Chief Financial Officer

On behalf of the Board

B. Wadhwa

N. Pujara } Directors

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

AI CHAMPDANY INDUSTRIES LIMITED

ABRIDGED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

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

Rs. in lacs

	2016-17	2015-16
I INCOME		
Revenue from operations		
Sale of Products, Services and Related Income	10,735.60	21,825.48
Less: Excise Duty & Cess	54.80	160.79
Net Revenue from operations	10,680.80	21,664.69
II Other Income	494.09	280.62
III Total Income (I+II)	11,174.89	21,945.31
IV EXPENDITURE		
a) Cost of materials Consumed	4,938.68	10,879.50
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(182.09)	202.82
c) Employee benefits expense	3,570.39	6,180.60
d) Finance costs	1,152.45	1,273.35
e) Depreciation and amortisation expenses	411.49	518.61
f) Other expenses	2,204.07	3,887.39
Total Expenditure (a to f)	12,094.99	22,942.27
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)	(920.10)	(996.96)
VI Exceptional items	-	-
VII Profit/(Loss) before extraordinary items and tax (V-VI)	(920.10)	(996.96)
VIII Extraordinary items	-	-
IX Profit/(Loss) Before Tax (VII-VIII)	(920.10)	(996.96)
X 1. Tax expense	0.01	-
2. Deferred Tax(Assets)	(343.79)	(449.52)
XI Profit/(Loss) After Tax (IX-X)	(576.32)	(547.44)
XII Earnings per share (face value of Rs. 5 each)		
Basic and Diluted (Rs.)	(2.10)	(2.00)

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

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

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

S.K.Nayak
Partner
Membership No.58711
Kolkata, 27 May 2017

B.K.Chowdhury
Company Secretary &
Compliance Officer

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

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

AI CHAMPDANY INDUSTRIES LIMITED

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017

Rs. in lacs

	2016-17	2015-16
1 Cash flow from operating activities	(149.88)	677.13
2 Cash flow from investing activities	1075.73	(293.63)
3 Cash flow from financing activities	(852.58)	(433.49)
4 Net increase/(decrease) in cash and cash equivalents	73.27	(49.99)
5 Cash and cash equivalents at the beginning of period	458.36	508.35
6 Cash and cash equivalents at the end of period	531.63	458.36
<p>Compiled from the Audited Consolidated Cash Flow Statement of the Company referred to in our report of even date. For D.P. Sen & Co. Chartered Accountants FRN 301054E S.K.Nayak Partner Membership No.58711 Kolkata, 27 May 2017</p> <p style="text-align: center;">B.K.Chowdhury Company Secretary & Compliance Officer</p> <p style="text-align: center;">Prakash Nagar Vice President (F&A) & Chief Financial Officer</p> <p style="text-align: right;">On behalf of the Board B. Wadhwa } N. Pujara } Directors</p>		

NOTES TO ABRIDGED CONSOLIDATED BALANCE SHEET AND ABRIDGED CONSOLIDATED PROFIT AND LOSS ACCOUNT

1. Significant Accounting Policies:

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

1.1. Accounting Convention:

The Consolidated 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 of Fixed Assets is provided to the extent of depreciable amount on the straight line method based on useful life of the assets as prescribed in Schedule II to the Companies Act 2013.

(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. Liability has been provided at the year end 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 recognised on receipt/assessment of related claim from Insurance Authorities.
- 1.16. Intangible Assets:
Intangible Assets are stated at cost of acquisition less accumulated amortisation. Computer Software is amortized over a period of 5 years on Straight Line basis.

2. Note No.23 of Consolidated Accounts)

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

3. (Note No.24 of Consolidated Accounts)

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

- (i) The financial statements of AI Champdany Industries Limited ("the Company) and its subsidiary Company has been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealized profit or losses.
- (ii) The difference between the costs of investment in the subsidiary over the equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iii) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Statement of Consolidated Profit

and Loss as the profit or loss on disposal of investment in subsidiary.

(iv) The financial statement of the subsidiary i.e. Champdany Constructions Limited used in the consolidation are drawn upto the same reporting date as that of parent company i.e. 31 March 2017.

4. (Note No.25 of Consolidated Accounts)

- i) Contingent liabilities Rs. 3,718.57 lacs (Previous year Rs. 4,016.58 lacs).
- ii) Dividend on Cumulative Preference Shares are in arrears since 30 March 2010, Rs.104.67 lacs (previous year Rs. 89.73 lacs) including Dividend Distribution Tax Rs.17.70 lacs (previous year Rs.15.18 lacs).

5. (Note No.27 of Consolidated Accounts)

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	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Segment Revenue						
External Turnover	9,270.96	19,907.64	1,409.84	1,757.05	10,680.80	21,664.69
Other Income	494.09	280.04	-	-	494.09	280.04
Segment Result	35.93	95.79	196.42	180.02	232.35	275.81
Unallocated					-	0.58
Operating Profit					232.35	276.39
Finance Cost					1152.45	1,273.35
Income Taxes					(343.78)	(449.52)
Net Profit/ (Loss)					(576.32)	(547.44)
Other Information						
Segment Assets	21,822.88	24,737.32	3,926.17	3,261.33	25,749.05	27,998.65
Unallocated					995.05	664.37
Total Assets					26,744.10	28,663.02
Segment Liabilities	15,956.07	17,669.31	1,782.94	1,237.58	17,739.01	18,906.89
Unallocated					-	-
Total Liabilities					17,739.01	18,906.89
Capital Expenditure	32.95	205.71	23.63	163.26	56.58	368.97
Depreciation	248.70	372.16	164.02	158.70	412.72	530.86
Amortization	1.23	-	-	12.25	1.23	12.25

B. Information about Secondary Segments

a) Revenue & Sundry Debtors as per Geographical Markets

Rs. in lacs

Particulars	Revenue		Sundry Debtors	
	31.03.17	31.03.16	31.03.17	31.03.16
India	7,943.28	16,971.55	1,804.04	2,020.58
Outside India	3,231.61	4,973.76	142.60	124.06
Total	11,174.89	21,945.31	1,946.64	2,144.64

- 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.

6. (Note No.28 of Consolidated Accounts)

Rs. in lacs

	<u>Year ended 31.03.17</u>	<u>Year ended 31.03.16</u>
Deferred Tax:		
(i) Liability/(Assets) at the beginning of the year	(600.82)	(151.30)
(ii) Difference between book & tax depreciation	(45.69)	(25.78)
(iii) On carried forward losses as per Income Tax calculations	(298.11)	(423.74)
(iv) Deferred tax Liability / (Assets) at the end of the year	<u>(944.62)</u>	<u>(600.82)</u>

7. (Note No.29 of Consolidated Accounts)

Related Party Disclosures: As per Accounting Standard 18, the disclosures of the transactions with related parties are given below.

- (a) List of Related Parties where control exists and related parties with whom transactions have taken place and relationships:

<u>Parties</u>	<u>Relationship</u>
G Jerambhai Exports Ltd.	Others
Gunny Dealers Ltd.	"
Libra Exporters Ltd.	"
Libra Transport Ltd.	"
McGregor & Balfour India Ltd.	"
Jessore Industries (India) Ltd.	"
Naffar Chandra Jute Mills Ltd.	"
Eastern Services Ltd.	"
Baidyabati Industries Ltd.	"
West Bengal Multifibre Jute Park Ltd.	"
Jerambhai Seva Trust	"
V B Seva Trust	"
AIC Properties Ltd.	"
Landale & Clark Ltd.	"
Circus Avenue Properties Private Ltd.	"
Shibir India Ltd.	"
Amar Investments Ltd.	"
Rishra Investments Ltd.	"
Gojer Brothers Private Ltd.	"
West Range Properties Private Ltd.	"
Coopers Commodities Ltd.	"
Coopers Wealth Advisors Ltd.	"
Coopers Capital Markets Ltd.	"
National Electronics Private Ltd.	"
Mr. Nirmal Pujara	Key Managerial Personnel

(b) Transaction during the year with related parties

				<u>Rs. in lacs</u>
Sr No	<u>Nature of Transactions (Excluding Reimbursement)</u>	<u>Key Managerial Personnel</u>	<u>Others</u>	<u>Total</u>
1	Revenue from Operations	-	256.54	256.54
		-	<i>1728.41</i>	<i>1728.41</i>
2	Other Income	-	1.20	1.20
		-	<i>1.20</i>	<i>1.20</i>
3	Purchases /Material Consumed	-	423.78	423.78
		-	<i>1299.00</i>	<i>1299.00</i>
4	Transport & Handling	-	30.84	30.84
		-	<i>78.85</i>	<i>78.85</i>
5	Payment to Key Managerial Personnel	48.22	-	48.22
		<i>54.52</i>	-	<i>54.52</i>
6	Rent	-	8.42	8.42
		-	<i>8.40</i>	<i>8.40</i>
7	Professional Fees	-	1.20	1.20
		-	<i>1.20</i>	<i>1.20</i>
8	Finance Costs	-	-	-
		-	<i>0.23</i>	<i>0.23</i>
<u>Balances as on 31 March 2017</u>				
1	Investments	-	16.00	16.00
		-	<i>10.24</i>	<i>10.24</i>
2	Trade Receivables	-	-	-
		-	<i>146.89</i>	<i>146.89</i>
3	Loans and Advances	-	44.18	44.18
		-	<i>8.74</i>	<i>8.74</i>
4	Trade Payables	-	237.58	237.58
		-	<i>320.35</i>	<i>320.35</i>
5	Unsecured Loan	-	500.00	500.00
		-	-	-
6	Other Payable	-	2066.00	2066.00
		-	<i>1763.36</i>	<i>1763.36</i>
7	Other Current Liabilities	-	1123.42	1123.42
		-	<i>158.64</i>	<i>158.64</i>

Note: Figures in italic represents previous year's amount.

8. (Note No.36 of Consolidated Accounts)

As approved by way of special Resolution passed by shareholders on 14.03.2014 by way of Postal Ballot, the Company sold its Anglo-India Jute Mill (Middle Mill) located at Jagatdal, Dist. 24 Parganas (North), West Bengal w.e.f. 01.05.2016 to M/s P & A Distilleries Private Limited (subsequently name changed to Anglo-India Jute & Textile Industries Private Limited w.e.f. 14.05.2016).

9. Previous year's figures have been rearranged / reclassified / regrouped wherever necessary and to make it in conformatory with the amended Schedule III to the Companies Act, 2013.

For D.P. Sen & Co.
Chartered Accountants
FRN 301054E
S.K.Nayak
Partner
Membership No.58711
Kolkata, 27 May 2017

B.K.Chowdhury
Company Secretary &
Compliance Officer

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

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

AI CHAMPDANY INDUSTRIES LTD.

CIN: L51909WB1917PLC002767

Registered Office : 25, Princep Street, Kolkata – 700 072, W.B.

Tel No.: 033 22377880, Fax No.: 033 22250221, Website: www.jute-world.com

Ninety Ninth Annual General Meeting – Thursday, 21st September, 2017

BALLOT FORM

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

Name of the Member(s):

Address:

Folio No. / DP ID and Client ID: Number of Share(s) held:

I/We hereby exercise my/our vote in respect of the following resolution(s) to be passed at the Twenty Ninth Annual General Meeting of the Company, to be held on Thursday, 21st September, 2017 at 10:30 a.m. at the Auditorium of Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata – 700017 in respect of businesses as stated in the Notice dated 27.05.2017 by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the box against the respective matters.

Item No.	Description	No. of shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	To Consider and Adopt: (a) The audited financial statement of the Company for the financial year ended 31st March 2017, together with the Report of the Directors and Auditors. (b) The audited consolidated financial statement of the Company for the financial year ended 31st March, 2017			
2.	Reappointment of Mr. Bhushan Wadhwa, Director, retires by rotation			
3.	Appointment of M/s G. Basu & Co., Chartered Accountants, Kolkata as statutory auditor of the Company.			
4.	Reappointment of Dr. Giridhan Goswami as an Independent Director.			
5.	Reappointment of Mr. Sam Maneckshaw Palia as an Independent Director			
6.	Reappointment of Mr. Harbhajan Singh as an Independent Director			
7.	Approval of reappointment and fixation of remuneration of Mr. Nirmal Pujara as Managing Director			
8.	Approval of remuneration of Cost Auditors M/S. N Radhkrishnan & Co., Cost Accountants, for the financial year 2017-18.			

Place : _____

Date : _____

Signature of the Member / Beneficial Owner

INSTRUCTIONS

1. A Member desiring to exercise vote by ballot form may complete this ballot form and send/submit it to the Scrutinizer, appointed by the Board of Directors of the Company viz. Mr. Harisadhan Ghosh, C/o M/s Roy Moulik & Co, Chartered Accountants at 3, Mangoe Lane, 2nd Floor, Kolkata – 700 001.
2. In case of shares held by companies, trusts, societies etc., the duly completed ballot form should be accompanied by a certified copy of Board Resolution / Authority.
3. Unsigned ballot forms will be rejected.
4. A Member need not cast all the votes in the same way.
5. Duly completed ballot form should reach the Scrutinizer not later than 10.30. a.m. (IST) on 21st September, 2017.
6. The Scrutinizer's decision on the validity of a ballot form will be final.

AI CHAMPDANY INDUSTRIES LTD

(CIN: L51909WB1917PLC002767)

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

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

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

PROXY FORM

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

99th ANNUAL GENERAL MEETING ON 21st SEPTEMBER, 2017

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 99th Annual General Meeting of the company, to be held on Thursday, the 21st September, 2017 at 10:30 AM at the Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th floor, Kolkata 700017 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

AI CHAMPDANY INDUSTRIES LTD

(CIN: L51909WB1917PLC002767)

Regd office: 25,PrincepStreet , Kolkata-700 072

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

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(To be handed over at the entrance of Meeting Hall)

99th ANNUAL GENERAL MEETING ON 21st SEPTEMBER, 2017

ATTENDANCE SLIP

I certify that I am a registered shareholder/proxy for the registered shareholder of the company.

I/We hereby accord my/our presence at the 99th Annual General Meeting of the company at the Auditorium of Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th floor, Kolkata 700017 on Thursday, 21st September, 2017 at 10:30 AM.

Registered Folio/DP ID & Client ID No.	
Name and address of the Shareholder(s)	
Joint Holder 1	
Joint Holder 2	
No of Shares	

.....
Member's/proxy's name in Block letters
Member's/proxy's signature

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

Sr. No.	Resolutions	Optional*	
		For	Against
1	Adoption of Audited Standalone and Consolidated Financial Statements for the financial year ended 31st March, 2017 and the Report of the Board of Directors and Auditors thereon.		
2	Re-appointment of Mr. Bhushan Wadhwa as a Director who retires by rotation.		
3	Appointment of M/s G Basu & Co, Chartered Accountants as Statutory Auditors and fix their Remuneration.		
4	Re-appointment of Dr. Giridhan Goswami as an Independent Director.		
5	Re-appointment of Mr. Sam Manekshaw Palia as an Independent Director.		
6	Re-appointment of Mr. Harbhajan Singh as an Independent Director.		
7	Re-appointment and remuneration of Mr Nirmal Pujara, Managing Director of the Company.		
8	Approval of remuneration to the Cost Auditors for the financial year ending March 31, 2018.		

Signed this.....day of.....2017.

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

Signature of shareholder.....

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

Affix Revenue Stamp Re.1/-

Notes: **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 99th Annual General Meeting dated 21st September 2017.

It is optional to put a "Tick" in the appropriate against the Resolutions indicated in the box. If you leave the "For" or "Against" column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.