

# BALLY JUTE COMPANY LIMITED

<b>Board of Directors</b>	:	Sri A. K. JAIN Sri J.K. KAPILA Sri P. DEBNATH Smt. NIBEDITA MAJUMDAR
<b>Manager</b>	:	SRI J.K. KAPILA
<b>Auditors</b>	:	R. KOTHARI & COMPANY 16A, SHAKESPEARE SARANI KOLKATA - 700 071
<b>Banker</b>	:	CANARA BANK PRIME CORPORATE BRANCH KOLKATA
<b>Registered Office</b>	:	5, SREE CHARAN SARANI BALLY, HOWRAH

## **Bally Jute Company Limited**

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### **DIRECTORS REPORT FOR THE FINANCIAL YEAR 2016-2017**

To,

**The Members,**

Your directors have pleasure in presenting their 35<sup>th</sup> Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March 2017.

### **FINANCIAL HIGHLIGHTS**

During the year under review, a brief break up of the financial performance of the Company is given as under:

(Rs in Lacs)

<b>Particulars</b>	<b>Year ended 31st March 2017</b>	<b>Year ended 31st March 2016</b>
Turnover	23356.22	23667.32
Profit before finance charges, Tax, Depreciation/Amortization Depreciation/Amortization	1270.4	1240.09
Less: finance Charges	570.74	553.62
Profit before Tax, Depreciation/Amortization	699.66	686.47
Less: Depreciation	492.81	483.13
Net Profit before Taxation	206.85	203.34
Provision for Taxation	68.31	67.65
Profit/(Loss) after tax	138.54	135.69

### **OPERATIONS AND STATE OF COMPANY'S AFFAIRS**

During the year 2016-17 under review, your company has achieved marginally lower sales of Rs. 233.35 crores vis-à-vis Rs. 236.67 crores in the corresponding previous year 2015-16 but recorded marginally higher profit before tax of Rs. 206.85 lacs during 2016-17 vis-à-vis Profit before tax of Rs. 203.34 lacs during corresponding previous year 2015-16 respectively.

### **CHANGE IN NATURE OF BUSINESS, IF ANY**

There was no Change in the nature of the business of the Company during the year.

### **DIVIDEND**

In order to conserve the resources of the company, the Board of Directors of the Company have not recommended any dividend for the year ended 31st March, 2017.

### **CORPORATE GOVERNANCE**

A report on Corporate Governance along with a certificate from Practicing Company Secretary confirming Compliance of the conditions of Corporate Governance as stipulated in Schedule V to SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 and forming part of the report is annexed hereto as Annexure -1.

## **Bally Jute Company Limited**

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### **EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-2

### **NUMBER OF BOARD MEETINGS**

Thirteen Meetings of the Board were held during the financial year ended on 31.03.2017. For details of the meeting of the Board, please refer to the Corporate governance report, which forms the part of this report.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in management discussion & Analysis which form part of this report.

### **PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186**

The particulars of loan, investments and guarantees have been disclosed in the financial statements for the year ended 31<sup>st</sup> March 2017.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

The Company has not entered into any transaction with related parties during the year as referred to in Section 188(1) of the Companies Act 2013. Disclosures as required under Accounting Standard 18 have been disclosed in the financial statements for the year ended 31<sup>st</sup> March 2017. Since the Company has not extended any loan or advance to its associates, holding or firms/ Companies in which director are interested, no disclosure is required as per point A(2) to Schedule V to the SEBI (LODR) Regulations, 2015.

### **AUDITORS' REPORT**

The Notes on accounts referred to the auditors' report are self-explanatory and do not call for any further explanation

### **MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There is no material change in the financial position of the Company subsequent to balance sheet date which will affect the Company.

### **ENVIRONMENT, ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

As required by the Companies Act 2013, the relevant data pertaining to the conservation of energy etc. are given in Annexure -3 of this report.

### **RISK MANAGEMENT POLICY**

In compliance with the requirement of the Companies Act, 2013 the Company has put in place Risk Minimization and Assessment Procedures. In order to effectively and efficiently manage risk and address challenges, the company has formulated Risk Management Policy.

The combination of policies and procedures adequately addresses the various risks associated with your Company's businesses.

### **DIRECTORS**

During the year under review, there was no change in the Composition of the Board of Directors.

Mr. Jitendra Kumar Kapila, (holding DIN-00320521), who retires by rotation, and being eligible, offer herself for re-appointment.

### **KEY MANAGERIAL PERSONNEL**

There was no change in the key managerial personnel during the year under review.

### **DEPOSITS**

The Company has not accepted any deposits from public under section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

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### **DECLARATION BY INDEPENDENT DIRECTOR**

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act 2013. In the opinion of the Board, they fulfil the conditions of independence as specified in the act and the rules there under and are independent of the management.

### **SECRETARIAL AUDIT**

In compliance with the provisions of section 204 of the Companies Act 2013, secretarial audit was conducted by M/s Rakesh Agarwal & Co., practicing company secretary. The Secretarial Audit Report in prescribed format MR 3 is given as annexure- 4 which form the part of this report. The observations made in the report are self explanatory.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

The Company does not fall under the criteria of Section 135 of Companies Act, 2013.

### **AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the corporate governance report which form the part of this report.

### **FAMILIARIZATION PROGRAMMES FOR BOARD MEMBERS**

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and policies. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company.

### **CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:**

The Nomination and Remuneration Committee has Formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of section 178(3) of the Companies Act 2013 and SEBI (LODR) Regulations, 2015.

Nomination and remuneration committee (NRC) identify persons who are qualified to become directors in accordance with the criteria laid down. The NRC review the composition and diversity of Board, keeping in view the requirement of Companies Act, 2013 and SEBI( LODR) Regulations, 2015 and recommend to the Board appointment/ reappointment of eligible candidates including their terms of appointment and remuneration.

### **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND DIRECTORS:**

Nomination and Remuneration Committee of the Board has devised the criteria for evaluation of the independent directors, the Board and its committees. The Board has carried out annual evaluation of its own performance, and that of its committees and individual directors.

### **REMUNERATION POLICY**

Details of the Remuneration Policy are given in the Corporate Governance Report.

### **DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM**

The Company has adopted a Whistle Blower policy, to provide a formal mechanism to the Directors and employees to report their concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The policy provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The Whistle blower policy is hosted on company's website ([www.ballyjute.com](http://www.ballyjute.com))

### **PARTICULARS OF EMPLOYEES**

Particulars of employees and the ratio of the remuneration of each director to the median employee's remuneration and other details in terms of section 197 of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 from part of this Report. However, in terms of section

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136(1) of the Companies Act 2013 the Report and Accounts are being sent to the members and others entitled thereto, excluding these statements. The Annexures are available for inspection by the Members at the Registered Office of the Company during working hours on working days for a period of 21 days before the ensuing Annual General Meeting. However, a copy of the statement shall be made available to any members on demand.

### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company has not received any complaint of sexual harassment during financial year 2016-2017.

### **STATUTORY AUDITORS**

As per the provisions of section 139 of the Companies Act 2013, the transitional period of office of M/s. R.Kothari & Co., chartered accountants as the statutory auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors place on record their appreciation and gratitude for the services rendered by M/s. R.Kothari & Co, chartered accountants during their tenure as the statutory auditors of the Company.

The audit Committee and Board of Directors have recommended the appointment of M/s JBS & Co., Chartered Accountants, (FRN: 323734E) as statutory auditors of the company subject to approval of shareholders. M/s JBS & Co. have consented to the said appointment and confirmed that their appointment, if made, would be within the limits mentioned under the provisions of section 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

They will hold as the statutory auditors for the first term of five years from the conclusion of this Annual General Meeting till the conclusion of the sixth next annual General Meeting of the Company, subject to ratification of the appointment by members at every Annual General Meeting held during their tenure of office as statutory auditors.

### **INTERNAL AUDITORS**

The Company has appointed M/s Srimal Jain & Co. as the Internal Auditors for the year 2017-18.

### **COST AUDITORS**

The Board of Directors has appointed M/s B.G Chowdhury & Co., Cost Accountants, as cost Auditors for conducting audit of cost accounts maintained by the company for the current financial year ending on 31.03.18 in respect of Jute and fixed their remuneration based on the recommendation of the Audit Committee. The remuneration payable to Cost Auditors is subject to ratification by shareholders in the ensuing Annual general meeting of the Company.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **A. INDUSTRY STRUCTURE AND DEVELOPMENT**

The central government has continued with current norms under the Jute Packaging Materials (Compulsory use in packing commodities) Act 1987 (JPMA) and the order for compulsory packaging of food grains at 90% and sugar at 20%. We are hopeful that the said reservation percentage order under JPMA is likely to be extended further until June 30, 2018 by the Central Government considering the role played by the jute sector in the livelihood of farmers and workers despite the fact that the recommendation of Standing Advisory Committee on jute to Government of India for dilution of compulsory packaging norms for food grains from 90% to 85% for the year 2017-18.

The jute industry had experienced better crop of raw jute owing to favorable weather conditions during the year under review and prices of raw jute have softened to reasonable levels.

The Central Government under the Jute Commissioner has formulated a new mechanism for allocation of production control orders cum supply orders and have further taken effective steps for streamlining the process of production control orders and supply orders in line with central government decision to do away with the involvement of DGS&D in the supply chain. The National Jute Board has continued with the implementation of incentive scheme for acquisition of plant and machinery to facilitate jute mill modernization.

**B. OPPORTUNITIES AND THREADS / RISKS AND CONCERNS**

**i. OPPORTUNITIES**

Jute being natural fibre possess environment friendly bio-degradable characteristics and as such will continue to be a preferred choice over other packaging materials. The continuance of Central Government assistance for upgradation and modernization of existing machinery to promote jute diversified products would help development of larger market of jute goods. The continued belief of central government in prevailing policy for jute sector considering the livelihood of workers and farmers provides an upper edge to the jute sector.

**ii. THREATS/ RISK AND CONCERNS**

- a. Jute goods market is competitive and faces tough competition from Bangladesh in export markets owing to cost advantages and export subsidies. However, in order to overcome said risk sincere efforts are being made to cut costs at all levels and improve efficiency in addition to steps taken by the Indian Jute Mills Association for imposition of anti dumping duty on imports of jute goods.
- b. The Compulsory packaging order issued by government of India under JPM Act 1987 for compulsory packaging of prescribed percentage of food grains and sugar in jute packaging material is a function of government policy and procedures. However, the support under JPM Act to the jute industry has been continuing from years.
- c. Risk of favoured alternative packaging material like HDPE / Polypropylene due to cost consideration exists over jute packaging material but the harmful impact on environment and ecological concerns helps jute products vis-à-vis alternatives.
- d. The raw jute being an agro- product is dependent on vagaries of monsoon in India. However, timely government intervention helps to overcome shortage in case of emergency situation. Moreover, proper advance procurement planning of raw jute helps to mitigate the said risk.
- e. Foreign exchange risk exists due to fluctuations in rupee value vis-à-vis US dollars affecting exports of jute goods / import of raw jute. However, proper hedging mechanism is followed to overcome the said fluctuations.
- f. Domestic revenues fluctuate with erratic government orders. However steps have been taken by the jute commissioner to ensure smooth order flows to some extent. Moreover, inventory is built up during slack seasons to cater said problems.
- g. Jute industry being labour intensive and continuous availability of workers and management of labour is critical for smooth functioning of the factory. However, the proximity of the unit to populated areas helps in overcoming this problem apart from availability of workers colony.

**C. SEGMENTWISE OR PRODUCTWISE PERFORMANCE**

As the Company's business activities fall within a single primary business segment namely Jute goods, the disclosure requirement of Accounting standard AS- 17 issued by the Institute of Chartered Accountants of India is not applicable.

**D. OUTLOOK :**

The sowing of raw jute crop for the jute year 2017-18 is expected to be far better over last year and with favourable weather conditions the crop size is expected to be healthier supporting lower raw material prices thereby aiding finished goods market. The outlook of industry seems promising owing to rising awareness about utilities of natural fibre jute possessing bio-degradable characteristics. The Government policy has been comprehensive and would help generate continuous demand in the domestic and international market.

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### **E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The company has adequate internal checks and balances so as to provide desired alert signals through installation of ERP system and the same is upgraded on a regular basis. Moreover, the internal audit mechanism is in place to conduct the routine checks on a regular basis throughout the year for better control and efficient management.

### **F. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The following are the significant areas of financial performance:

(Rs. In lacs )

<b>Particulars</b>	<b>2016-2017</b>	<b>2015-2016</b>
Revenue from Operations (Net)	23135.16	23450.11
Cost of Material Consumed	13410.42	14946.32
Finance Cost	570.74	553.62
Profit After Tax	138.54	135.69
Inventory	4806.04	6430.95

### **G. HUMAN RESOURCES**

The industrial Relations of the production unit of the Company during the financial year 2016-2017 were peaceful and harmonious. Supervisory Development programs on productivity, safety, cost control, communications and human relations are being carried out as a matter of routine. With high level of Commitment and loyalty by staff members, the Company is confident to face the challenges of competitive market conditions.

### **H. CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis Report, describing Company's objective, projection, expectation, estimate or prediction is based on the prevailing Industry position and market conditions which may be different from what is envisaged with regards to future prospects and performance. However, this may undergo changes in future in view of the volatility involved based on weather condition, Government Policy relating to Jute Industry, global demand and market trends.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, it is hereby stated to the best of our knowledge and belief that:

- a) 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) the directors had 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 as at 31st March, 2017 and of the profit /loss of the Company for that period;
- c) the directors had 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) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. While affirming this, your directors confirm the following:

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- i. Systems have been laid down to ensure that the transactions in the company are executed in accordance with management's authorization in adherence to policies and procedures adopted by the Company.
- ii. The existing assets of the Company are verified at reasonable intervals and appropriate actions are taken with respect to differences, if any. Access to assets is permitted only in accordance with management's authorization and no assets of the company are allowed to be used for personal purposes, except in accordance with terms of employment or only if specifically authorized.
- iii. Systems and procedures exist to maintain checks and balances and to prevent and detect frauds and errors.
- iv. Proper frameworks exist to ensure that all transactions are recorded to facilitate timely and effective preparation of financial statements in accordance with generally accepted accounting principles.

### **ACKNOWLEDGEMENT**

The Directors wish to convey their gratitude and sincere appreciation to the customers, Shareholders, Vendors, Bankers and employees at all level for the cooperation and continued support received by the Company.

Place-Bally

Date – 25.08.2017

**For and on behalf of the Board of Directors**

**Jitendra Kumar Kapila**

**(Chairman)**

**(00320521)**



## Bally Jute Company Limited

### REPORT ON CORPORATE GOVERNANCE

The Report containing the details of Corporate Governance System and process at Bally Jute Company Limited pursuant to Part C of schedule V of SEBI ( Listing Obligation and Disclosure Requirements) Regulation, 2015 "Listing Regulations"

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company believes in practice of good Corporate Governance. The Company firmly believes in the values of transparency, professionalism and accountability in its dealing with its customers, dealers, employees and Shareholders and with the every individual who deals and comes in the contact with the Company.

#### 2. BOARD OF DIRECTOR :

##### a) Composition of the Board

As on 31<sup>st</sup> March, 2017, the Board of Directors had four members comprising of two Independent Director, a director cum manager and a woman Non-Executive Director. The Chairman of the Board is a director cum manager

The Non-Executive Directors are liable to retire by rotation.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act 2013 and rules framed there under and as per Listing Regulation.

None of the Director on the Board is a member of more than 10 Committee or Chairman of more than 5 Committees across all the Companies in which he/she is a Director. None of the Directors holds office in more than 20 companies and in more than 10 public companies.

##### b) Attendance of Directors at Board Meetings and last Annual General Meeting along with no. of other Directorship(s) and other Board Committee chairmanship(s)/ Membership(s) held as on 31<sup>st</sup> March 2017.

Name	Category of Directorship	No. of other Companies Directorships (Including Pvt. Ltd. Company	No. of other Board Committee(s) of which he is a member*	No. of other Board Committee(s) of which he is a Chairman*
Mr. Jitendra Kumar Kapila	Director Cum Manager	7	1	-
Mr. Ajit Kumar Jain	Independent & Non Executive	4	4	4
Mr Pradip Debnath	Independent & Non Executive	-	2	-
Mrs. Nibedita Majumder	Non Executive Director	-	1	-

In case of committees, only two committees, viz. the Audit Committee and the Stakeholder's Relationship Committee are considered,

During the year thirteen Board meetings were held on 15th April'2016,10th May'2016, 22nd June'2016, 28th June'2016, 10th August 2016, 26th August 2016, 10th October'2016, 10th November 2016, 1st December 2016, 14th December 2016, 25th January 2017, 10th February'2017, 24th March'2017.

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<b>N a m e</b>	<b>No. of Board Meeting Attended</b>	<b>Attendance at last AGM held on</b>
Mr. Jitendra Kumar Kapila	13	Present
Mr. Ajit Kumar Jain	13	Present
Mr Pradip Debnath	13	Present
Mrs. Nibedita Majumder	13	Present

**a) Disclosure of relationships between directors inter-se**

No director is inter se, related to any other director on the Board.

**b) Number of Shares and convertible instruments held by non- executive directors**

None of the directors holds any shares in the Company.

**c) Weblink for familiarisation programmes imparted to independent director is disclosed**

The Company has a familiarisation programmes for independent directors and the same is available on the website of the Company ([www.ballyjute.com](http://www.ballyjute.com)). The present independent directors are well conversant with the operations of Jute industry, the Company's model and their responsibilities as independent directors. However the familiarization programme will be imparted as and when considered by the board.

**SEPARATE MEETING OF INDEPENDENT DIRECTORS:**

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of the Management was held on 2nd January 2017 as required under Schedule IV to the Companies Act 2013 (Code of Independent Directors). At the Meeting, the Independent Directors:

Reviewed the performance of Non-Independent Directors and the Board as a whole,  
Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and  
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.

Mr. Ajit Kumar Jain and Mr. Pradip Debnath attended the Meeting of Independent Directors. Mr Ajit Kumar Jain chaired the meeting.

None of the Non-Executive Directors and Independent Director of the Company have any material pecuniary relationship or transactions with the Company.

**3. AUDIT COMMITTEE**

**a) Terms of Reference**

The Company has duly constituted Audit Committee in compliance with provisions of section 177 of the companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure requirement) Regulations, 2015 as amended from time to time.

The terms of reference of the Audit Committee are in line with the Section 177 of the Companies Act 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure requirement) Regulations, 2015. The broad functions of Audit Committee:

- a. To discuss and review the comment on Internal Audit Reports submitted by Company's Internal Auditor.
- b. To review the progress on implementation of the suggestions made by Internal Auditors.
- c. To discuss and review the observations of Internal Auditors, cost control measures, statutory compliances etc. in various functional areas.
- d. Recommending the appointment and removal of auditors and fixing their remuneration.
- e. Review with the Management the annual, half-yearly and quarterly financial statements before submission to the Board.

**b) Composition, Name of Members and Chairman,**

The composition of the Audit Committee is given below:

<b>Name &amp; Designation</b>	<b>Category</b>	<b>Number of Meeting Attended</b>
Mr. Ajit Kumar Jain (Chairman)	Independent Director	6
Mr. Pradip Debnath (Member)	Independent Director	6
Mrs. Nibedita Majumder (Member)	Non Executive Director	6

**a) MEETINGS**

During the year six Audit Committee meetings were held on 18th April 2016, 23rd June 2016, 5<sup>th</sup> August 2016, 22nd August 2016, 7th November 2016 , 1st February 2017 .

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Company has duly constituted Nomination and Remuneration Committee in compliance with provisions of section 178 of the companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure requirement) Regulations, 2015.

**a) Terms of Reference**

- a. Make recommendations regarding the composition of the Board, identify Independent Directors to be inducted to the Board from time to time and take steps to refresh the composition of the Board from time to time.
- b. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- c. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board Policy relating to the remuneration of the Directors, key managerial personnel and other employees.

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- d. Formulate criteria for evaluation of Independent Directors and the Board.
- e. Devise a policy on Board Diversity.

**b) Composition, Name of Members and Chairman**

The composition of the Nomination and Remuneration Committee is given below:

<b>Name &amp; Designation</b>	<b>Category</b>	<b>Number of Meeting Attended</b>
Mr. Ajit Kumar Jain, (Chairman)	Independent Director	2
Mr. Pradip Debnath, (Member)	Independent Director	2
Mrs. Nibedita Majumder (Member)	Non Executive Director	2

**a) MEETINGS**

During the year two Nomination and Remuneration Committee meetings were held on 22nd August 2016 & 14th November 2016

**b) PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

Nomination and Remuneration Committee of the Board has devised the criteria for evaluation of the independent directors, the Board and its committees. The Board carried out annual evaluation of independent directors on the basis of criteria laid down. The evaluation was done by the Board of Directors except the directors who was evaluated.

### **5. REMUNERATION TO DIRECTORS**

**a) Remuneration Policy**

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act 2013 and SEBI LODR Regulations.

The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered the following factors while formulating the Policy:

- (i) Determine the level and composition of remuneration that will attract, retain and motivate directors, KMPs, senior managerial personnel and other employees of the Company.
- (ii) Provide a well balanced and performance based remuneration package taking into account industry standard and relevant corporate regulations.
- (iii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

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### **b) Details of Remuneration to Directors**

The Company has paid remuneration of Rs. 3,42,000/- P.A. to Sri J.K. Kapila as Director cum Manager during the period under report as admissible within the overall limits specified under Schedule V of the Companies Act, 2013 and as approved by the Shareholders.

Directors are paid sitting fees at the rate of Rs. 1000/- for attending each Board meetings.

### **6. STAKE HOLDERS RELATIONSHIP COMMITTEE**

#### **a) Name of non-executive director heading the committee :**

The members and chairman of the committee are:-

Mr Ajit Kumar Jain (chairman)

Mr Jitendra Kumar Kapila (member)

Mr. Pradib Debnath (member)

The Committee met four times during the year under report on 24th June 2016, 28th September 2016, 28th December 2016 and 31st March 2017.

#### **b) Name and designation of compliance officer**

Mr. Sanjay Kumar Agarwal, the Company Secretary of the Company is the compliance officer

#### **c) Investors complaints**

No complaints were received from the Investors/Share holders.

### **7. FINANCE COMMITTEE**

A committee of the Board constituted in year 2014 to borrow money upto the extent of Rs.100 crores per financial year and to give guarantee or provide security in respect of loan taken by others upto the limit of Rs.100 crores. The Committee was constituted to align with the requirements of Companies Act 2013. The members and chairman of the committee are:-

Mr Ajit Kumar Jain (Member)

Mr Jitendra Kumar Kapila (Chairman)

The Committee met four times during the year under report on 01/04/2016, 01/07/2016, 12/09/2016, 02/01/2017

### **8. GENERAL BODY MEETINGS**

#### **a) Details of the last three Annual General Meetings held are as under :**

Financial Year	Location	Date	Time	Special Resolution
2013-14	5, Sree Charaan Sarani, Bally, Howrah -711201	29.09.2014	11.30 A.M	2
2014-15	- do-	30.09.2015	10.00 A.M.	None
2015-16	-do-	30.09.2016	10.00 A. M	None

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### **a) POSTAL BALLOT**

No special resolution was passed last year through postal ballot and no special resolution is proposed to be passed through postal ballot presently.

### **9. CODE OF CONDUCT :**

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed compliance with the Code for 2016-17. A declaration to this effect duly signed by manager forms part of this Annual Report.

### **10. MEANS OF COMMUNICATION**

The Company had submitted its Quarterly, Half Yearly and Yearly financial results to the Stock Exchange soon after its approval by the Board and published the same in News Papers as required by listing Regulation.

The quarterly, half yearly and annual working results of the company are published in newspapers like Financial Express (English) and Arthik Lipi (Bengali).

The Company has its own functional website [www.ballyjute.com](http://www.ballyjute.com) where information about the Company's Quarterly, Half Yearly and Yearly financial results, annual report, distribution of shareholding at the end of each quarter required to be disclosed under Regulation 30(8) and 46 of SEBI (LODR) Regulation, 2015 are regularly updated.

### **11. GENERAL SHAREHOLDER INFORMATION**

#### **a) Annual General Meeting**

35th Annual General Meeting will be held on 26th September '2017 at 10.00 A.M.. at its Registered Office at 5, Sree Charan Sarani, Bally, Howrah – 711 201

#### **b) Financial Calendar (2017-2018): (tentative)**

Quarter ending June 30, 2017	:	10th August, 2017
Quarter ending September 30, 2017	:	On or before 14th November, 2017
Quarter ending December 31, 2017	:	On or before 14th February, 2018
Quarter ending March 31, 2018	:	On or before 14th May, 2018

#### **c) Date of Book Closing :**

20th September, 2017 to 26th September, 2017 (both day inclusive)

#### **d) Dividend**

The board has not recommended any dividend on Equity shares.

**e) Listing on Stock Exchange :** 1) The Calcutta Stock Exchange Ltd.

**f) Demat ISIN** - Not Allotted

#### **g) Registrar and Share Transfer Agent :**

ABS Consultants Pvt. Ltd.  
"Stephen House", Room No.99  
6th Floor, 4, B.B.D. Bag (East),  
Kolkata-700 001.

## Bally Jute Company Limited

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h) Status of Dematerialization of Shares as on 31st March, 2016.

As on 31<sup>st</sup> March, 2017, entire Equity Shares of the Company are being held in physical Form by the Shareholders.

i) Distribution of Shareholding as on 31st March, 2017

Slab of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 500	15	37.5	590	0.004
501 – 1000	1	2.5	638	0.005
1001 - 2000	-	-		
2001 - 3000	12	30	31375	0.24
3001 - 4000	-	-		
4001 - 5000	-	-		
5001 - 10000	-	-		
10001 and above	12	30	12875056	99.75
Total :	40	100	12907659	100

- a) **Stock Market Data** - There was no trading during the year under review and thus High / Low market price data for Stock performance in comparison to broad based indices can not be made.
- b) Share Transfer System -During the period under review, no complaint was received from the shareholders. No share transfer were pending as on 31<sup>st</sup> March, 2017.
- c) Registered Office : 5, Sree Charan Sarani, Bally, Howrah-711201.
- d) Plant Location : -do-
- e) Address for correspondence : -do-

### 12. Other Disclosures

- a) There are no materially significant related party transactions between the Company and its promoters, directors or their relatives etc. that may have potential conflict with the interests of Company at large. Disclosures as required under AS-18 have been made in Note 31 to the financial statements for the year ended 31st March, 2017. Policy on related party transactions and other policies and code of conduct adopted by the Board are displayed on the website of the Company ([www.ballyjute.com](http://www.ballyjute.com)).
- b) No penalty has been imposed by any stock exchange, SEBI or SEC, nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.
- a) Disclosure of compliance with mandatory and non-mandatory corporate governance requirements:

The Company has made compliance with corporate governance requirements as specified in Clause 49 of the Listing Agreement / Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 read with schedule V to listing Regulations.

Mandatory requirements : The Company has complied with all mandatory requirements under the Listing Agreement / Listing Regulations.

## **Bally Jute Company Limited**

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### **Declaration on compliance with Company's code of conduct as required under SEBI (LODR), Regulations, 2015**

I, Jitendra Kumar Kapila, director cum manager do hereby declare to the best of my knowledge and belief, that all the members of the Board and Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March, 2017

Place : Bally  
Date:25/08/2017

Jitendra Kumar Kapila  
(Director Cum Manager)  
( DIN – 00320521)

### **CERTIFICATION FROM MANAGER & CFO OF THE COMPANY**

To  
The Board of Directors  
Bally Jute Company Ltd.

We, Jitendra Kumar Kapila, director cum manager and Satyananda Sahoo, Chief Financial Officer of Bally Jute Company Ltd (the Company”) to the best of our knowledge and belief certify that:

- a) We had reviewed the financial statements and the cash flow statement for the financial year ended on 31.03.2017 and that to the best of our knowledge and belief, we state that:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain any 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 regulation.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls for financial reporting and that we had evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and had disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e) We had indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  - i. significant changes, if any, in internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting polices during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Place : Bally  
Date:25/08/2017

Jitendra Kumar Kapila  
(Director Cum Manager)  
( DIN – 00320521)

Satyananda Sahoo  
(Chief Financial Officer)



**Bally Jute Company Limited**

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**CERTIFICATE FROM PRACTISING COMPANY SECRETARIES REGARDING COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of  
**BALLY JUTE COMPANY LIMITED**

I have examined the compliance of conditions of Corporate Governance by Bally Jute Company Limited for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27 and Clauses (b) to (l) Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination 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 my opinion and to the best of our information and according to explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015 / Listing Agreements to the extent applicable to the Company during the year under report.

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

Place: Kolkata  
Date : 28.08.2017

For Pramod Agarwal & Co.  
Company Secretaries

Pramod Agarwal  
(Proprietor)  
C.P. No. : 4193

**Bally Jute Company Limited**

					ANNEXURE -2		
<b>FORM NO. MGT 9</b>							
<b>EXTRACT OF ANNUAL RETURN</b>							
<b>as on financial year ended on 31.03.2016</b>							
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration ) Rules, 2014.</b>							
<b>I REGISTRATION &amp; OTHER DETAILS:</b>							
<i>i</i>	<i>CIN</i>	L51909WB1982PLC035245					
<i>ii</i>	<i>Registration Date</i>	04.09.1982					
<i>iii</i>	<i>Name of the Company</i>	BALLY JUTE COMPANY LTD.					
<i>iv</i>	<i>Category/Sub-category of the Company</i>	COMPANY LIMITED BY SHARES					
<i>v</i>	<i>Address of the Registered office &amp; contact details</i>	5, SREE CHARAN SARANI, BALLY HOWRAH-711201					
<i>vi</i>	<i>Whether listed company</i>	YES					
<i>vii</i>	<i>Name , Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</i>	ABS CONSULTANTS PVT. LTD. "Stephen House", Room No. 99 6th Floor,4, B.B.D.Bag (East), Kol- 700001					
<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>							
<i>All the business activities contributing 10% or more of the total turnover of the company shall be stated</i>							
<b>SL No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product /service</b>	<b>% to total turnover of the company</b>				
1	JUTE GOODS	131	100.00%				
<b>III PARTICULARS OF HOLDING , SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>							
<b>SI No</b>	<b>Name &amp; Address of the Company</b>	<b>CIN/GLN</b>	<b>HOLDING/ SUBSIDIARY/ ASSOCIATE</b>	<b>% OF SHARES HELD</b>	<b>APPLICABLE SECTION</b>		
<b>NOT APPLICABLE</b>							

## Bally Jute Company Limited

IV Category of Shareholders	SHAREHOLDING PATTERN (Equity Share capital Break up as %to total Equity)									
	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		
<b>A. Promoters</b>										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	1,214,492	1,214,492	9.41	-	1,214,492	1,214,492	9.41	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	11,668,064	11,668,064	90.40	-	11,668,064	11,668,064	90.40	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (1)</b>	-	12,882,556	12,882,556	99.81	-	12,882,556	12,882,556	99.81	-	-
(2) Foreign										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	-	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	-	12,882,556.00	12,882,556.00	99.81	-	12,882,556.00	12,882,556.00	99.81	-	-
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B) (1):</b>										
(2) Non Institutions										
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	-	25,103.00	25,103.00	0.19	-	25,103.00	25,103.00	0.19	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B) (2):</b>	-	25,103.00	25,103.00	0.19	-	25,103.00	25,103.00	0.19	-	-
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	25,103.00	25,103.00	0.19	-	25,103.00	25,103.00	0.19	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	12,907,659	12,907,659	100.00	-	12,907,659	12,907,659	100.00	-	-

## Bally Jute Company Limited

(ii) SHARE HOLDING OF PROMOTERS								
Sl No.	Shareholders 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	
1	AMBIKA CAPITAL MARKETS LIMITED	4793073	37.13	NL	4793073	37.13	NL	NL
2	ASPECTIVE TIE UP LIMITED	1746000	13.53	NL	1746000	13.53	NL	NL
3	AMBIKAJUTE MILLS LTD.	47542	0.37	NL	47542	0.37	NL	NL
4	ALCKLANDSERVICES & SECURITIES LIMITED	266500	2.06	NL	266500	2.06	NL	NL
5	ABHISHEK KUMAR KANKARIA	384792	2.98	NL	384792	2.98	NL	NL
6	AWANTI KUMAR KANKARIA	384325	2.98	NL	384325	2.98	NL	NL
7	GOLD VIEW FINANCIAL SERVICES LIMITED	1097533	8.50	NL	1097533	8.50	NL	NL
8	KANKA TEXTILES LTD.	2500	0.02	NL	2500	0.02	NL	NL
9	KSHITIZ MERCHANDISE LTD.	1688000	13.06	NL	1688000	13.06	NL	NL
10	SCORE INFORMATION TECHNOLOGIES LTD.	135416	1.05	NL	135416	1.05	NL	NL
11	WELLWORTH VANUJA PRIVATE LIMITED	2500	0.02	NL	2500	0.02	NL	NL
12	YOGESH KUMAR KANKARIA	445375	3.45	NL	445375	3.45	NL	NL
13	SATBICHAAR VYAPAAR LTD.	1684500	13.05	NL	1684500	13.05	NL	NL
14	OMTOWERS PRIVATE LIMITED	2500	0.02	NL	2500	0.02	NL	NL
15	MANBR FINCOM PVT LTD.	204000	1.58	NL	204000	1.58	NL	NL
<b>TOTAL</b>		<b>12,882,556</b>	<b>99.80</b>		<b>12,882,556</b>	<b>99.80</b>		

(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)					
Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	% of total shares of the company
		No. of Shares	% of total shares of the company	No of shares	
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGE DURING THE YEAR			
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)					
Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	% of total shares of the company
		No. of Shares	% of total shares of the company	No of shares	
For each of top 10 Shareholders					
1	<b>BIMAL SINGH RAMPURIA</b>				
	At the beginning of the year	2875	0.02	2875	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2875	0.02
2	<b>PARTHO MUKHERJEE</b>				
	At the beginning of the year	2875	0.02	2875	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2875	0.02
3	<b>DEBAJIT TALUKDAR</b>				
	At the beginning of the year	2875	0.02	2875	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2875	0.02
4	<b>PRAKASH KUMAR BOTHRA</b>				
	At the beginning of the year	2750	0.02	2750	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2750	0.02

## Bally Jute Company Limited

5	<b>SUSANTA DHAR</b>				
	At the beginning of the year	2500	0.02	2500	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2500	0.02
6	<b>NEERJA SRIMAL</b>				
	At the beginning of the year	2500	0.02	2500	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2500	0.02
7	<b>PRAVIN KUMAR JAIN</b>				
	At the beginning of the year	2500	0.02	2500	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2500	0.02
8	<b>RABINDRA SRIMAL</b>				
	At the beginning of the year	2500	0.02	2500	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2500	0.02
9	<b>PARMANAND TIWARI</b>				
	At the beginning of the year	2500	0.02	2500	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0		
	At the end of the year			2500	0.02
10	<b>BIMAL SINGH RAMPURIA</b>				
	At the beginning of the year	638	0	638	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	638	0
	At the end of the year			638	0
(v)	<b>Shareholding of Directors &amp; KMP</b>				
<b>Sl. No</b>		<b>Shareholding at the end of the year</b>		<b>Cumulative Shareholding during the year</b>	
	<b>For Each of the Directors &amp; KMP</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No of shares</b>	<b>% of total shares of the company</b>
1	<b>Ajit Kumar Jain</b>				
	At the beginning of the year	38	0	38	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NL	NL	38	0
	At the end of the year	NL	NL	38	0

## Bally Jute Company Limited

V INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs in Lakhs)				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,400.38	1,600.00	-	5,000.38
ii) Interest due but not paid	99.71	82.93	-	182.64
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,500.09</b>	<b>1,682.93</b>	<b>-</b>	<b>5,183.02</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	413.07	335.84	-	748.91
<b>Net Change</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(748.91)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,994.46	1,324.00	-	4,318.46
ii) Interest due but not paid	92.56	23.09	-	115.65
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,087.02</b>	<b>1,347.09</b>	<b>-</b>	<b>4,434.11</b>

### REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Remuneration to Managing Director, Whole time director and/or Manager:

Particulars of Remuneration	JITENDRA KUMAR KAPILA(MANAGER CUM DIRECTOR)	TOTAL(Rs)
	<b>Gross salary</b>	
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	285000	285000
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	57000	57000
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL
Stock option	NIL	NIL
Sweat Equity	NIL	NIL
Commission as % of profit others (specify)	NIL	NIL
Others, please specify	NIL	NIL
<b>Total (A)</b>	<b>342000</b>	<b>342000</b>
<b>Ceiling as per the Act</b>		

#### Remuneration to other directors:

Particulars of Remuneration	Name of the Directors		TOTAL
	AJIT KUMAR JAIN	PRADIP DEBNATH	
Independent Directors			
(a) Fee for attending board committee meetings	14000	14000	28000
(b) Commission	NIL	NIL	NIL
(c) Others, please specify	NIL	NIL	NIL
<b>Total (1)</b>	<b>14000</b>	<b>14000</b>	<b>28000</b>
Other Non Executive Directors	NIBEDITA MAJUMDER		
(a) Fee for attending board committee meetings	13000		13000
(b) Commission	NIL		NIL
(c) Others, please specify.	NIL		NIL
<b>Total (2)</b>	<b>13000</b>		<b>13000</b>
<b>Total (B)=(1+2)</b>			<b>41000</b>
<b>Total Managerial Remuneration</b>			
<b>Overall Ceiling as per the Act.</b>			

## Bally Jute Company Limited

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD			
Particulars of Remuneration	Key Managerial Personnel		Total
Gross Salary		CFO	
NAME	Company Secretary SANJAY KUMAR AGARWAL	SATYANANDA SAHOO	
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1287900	632580	1920480
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	143000	113650	256650
(c) Profits in lieu of salary under section 17(3) of the	NIL	NIL	NIL
Stock Option	NIL	NIL	NIL
Sweat Equity	NIL	NIL	NIL
Commission	NIL	NIL	NIL
as % of profit	NIL	NIL	NIL
others, specify	NIL	NIL	NIL
Others, please specify	NIL	NIL	NIL
<b>Total</b>	<b>1430900</b>	<b>746230</b>	<b>2177130</b>

VII	PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES				
Type	Section of the Companies Act 2013	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NONE		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NONE		
Compounding					

**[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014]**

**A. CONSERVATION OF ENERGY**

- i. Steps taken or impact on Conservation of energy :**  
In the past few years, the Company has tried to improve energy efficiency significantly by various measures. Steps taken to conserve energy include:
  1. At its plant, the Company has carried out various modifications in layout to optimize energy consumption and reduce losses.
  2. Energy efficient motors are being installed in order to optimize use of power.
  3. In its plant and offices, the Company has replaced conventional light fixtures with energy efficient fixtures such as LED lights and tubes.
  4. Optimization of machine speed, particularly in Spinning Frames and S4A Looms.
  5. Maintenance of all machines, including boilers and compressors to make them energy efficient and minimize losses.
- ii. Steps taken by the Company for utilizing alternate sources of energy :** The Company is making maximum use of natural lighting during day time and gradually inducting safelux system to get the factory system illuminated.
- iii. Capital Investment on Energy Conservation Equipment:** The Company has been making investment on continuous basis for the purpose of energy conservation.

**B. TECHNOLOGY ABSORPTION**

- i. Efforts made towards Technology Absorption :**  
Efforts towards technology absorption included continued efforts for process improvements and installation of upgraded plant & machinery to improve the efficiency, productivity and profitability of the Company.
- ii. Benefits derived like product improvement, cost reduction, product development or import substitution :**  
Improved productivity and automation process. Cost reduction has however, been partly offset by the increase in cost of other input.
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :**
  1. **The details of technology imported:** The Company has not imported any technology during the last three financial years.
  2. **Year of import :** Not Applicable
  3. **Whether the technology has been fully absorbed:** Not Applicable
  4. **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof :** Not Applicable
- iv. Expenditure incurred on Research and Development :** Nil

**C. FOREIGN EXCHANGE EARNINGS /OUTGO**

Earnings	Rs 22,44,71,574
Outgo	Rs 23,65,59,163



**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st 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,  
**BALLY JUTE COMPANY LIMITED (CIN : L51909WB1982PLC035245)**  
5, Sree Charan Sarani,  
Bally, Howrah,  
Pin - 711201

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **BALLY JUTE COMPANY LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **BALLY JUTE COMPANY LIMITED** (the company's) 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, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 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 ('SCRA') and the rules made thereunder; (N/A)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (N/A)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (b) The Securities and Exchange Board of India (Register to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (N/A)
  - (d) The Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirement) Regulations 2009; (N/A)
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (N/A)
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities)) Regulations, 2008; (N/A)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (N/A)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (N/A)
- (vi) Other Acts - As per the information provided by the company, its offer and authorized representative there is no such other act/s applicable specifically to the Company.

\*N/A signifies not applicable during the reporting period.

## **Bally Jute Company Limited**

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

(i) Secretarial Standards issued 1 & 2d by The Institute of Company Secretaries of India (Secretarial Standards 1 and 2 are effective).

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

**I further report that** based on the information provided by the company, its officers and its authorised representative during the conduct of the audit, and also on the review of the compliance mechanism as established by the Company and on the basis of the Compliance Certificate issued by the Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate system and processes and control mechanism exist in the company to monitor and to ensure the compliance with applicable general laws such as Factories Act, 1948, Industrial Disputes Act, 1947, Payment of Wages Act and Environmental Laws.

**I further report that** the compliance by the company of the applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

**I further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

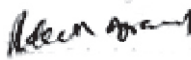
Majority decisions is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I 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.

**I further report that** during the audit period the company has no such specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Kolkata  
Signature :  
Date : 25/08/2017

**Name of Company Secretary in practice/Firm  
For Rajesh Agarwal & Co.**

  
**(Prop. Rakesh Agarwal)**  
**M. No. : F8792**  
**C P No. : 9014**

**Bally Jute Company Limited**

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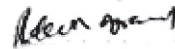
**“ANNEXURE - A” to the Secretarial Audit Report**

To,  
The Members,  
**BALLY JUTE COMPANY LIMITED (CIN : L51909WB1982PLC035245)**  
5, Sree Charan Sarani,  
Bally, Howrah  
Pin-711201

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Rajesh Agarwal & Co.**



**(Prop. Rakesh Agarwal)**  
**M. No. : F8792**  
**C P No. : 9014**

Place : Kolkata  
Date : 25/08/2017

## **Bally Jute Company Limited**

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### **INDEPENDENT AUDITORS' REPORT**

**TO  
THE MEMBERS  
M/S BALLY JUTE COMPANY LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/S BALLY JUTE COMPANY LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2017 and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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 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 specified 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 provision 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We 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.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 accounting policies used and the reasonableness of the accounting estimates made by the company's management, as well as evaluating the overall presentation of the financial statements.

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

#### **Basis for Qualified Opinion**

- a) **Attention is invited to Note No. 1 Point (XI) of Statement of Significant Accounting Policies regarding Gratuity provided as an expenses in the Statement of Profit and Loss for the year in which the payment for the same has been made, which constitutes a departure from the Accounting Standard 15 - "Employee Benefits" including disclosure requirement under the said standard. The impact of the same in the financial statement is disclosed in Note No 25.**
- b) **Attention is invited to Note No. 27(b) of the Financial Statement regarding pending Confirmation from certain parties. Effect on profitability remains unaffected.**
- c) **Attention is invited to Note No. 25 of the Financial Statement regarding non inclusion of cess duty in the valuation of closing stock of finished goods amounting to Rs. 1689021 which has no impact on profitability for period under review but consequential impact on inventory of finished goods as well as provision of cess duty.**

## **Bally Jute Company Limited**

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**d) Refer Note No. 1 Point No. VII (iv) regarding the treatment of export incentive on Cash Basis which is not in accordance with AS-9**

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion paragraph above**, the aforesaid 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,

- (a) in the case of the Balance Sheet, of the **state of affairs** of the Company as at 31st March, 2017;
- (b) in the case of the Statement of Profit and Loss, of the **profit** of the Company for the year ended 31st March 2017; **and**
- (c) in the case of the Cash Flow Statement, of the **cash flows** of the Company for the year ended 31st March 2017.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of section 143 of the Act, we give in the Annexure - A a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013 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) **Except for the effects of the matter described in the Basis for Qualified Opinion paragraph**, 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) **Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above**, in our opinion, the aforesaid 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 as on 31st March, 2017 and 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 B"; and
  - (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 pending litigations which would impact on financial position in its financial statements refer Note No: 22 of financial statement;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.
    - iv) The Company has provided requisite disclosures in the Financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

**For R. KOTHARI & COMPANY**  
Chartered Accountants  
(Firm Registration No. 307069E)

Place: Kolkata  
Date : 31st May, 2017

K.C.Soni  
Partner  
Membership No. 057620

## **Bally Jute Company Limited**

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### **Annexure-A to the Independent Auditor's Report (referred to in 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 of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals, and as explained to us, no material discrepancies were noticed during the 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 Act. Accordingly, the provisions of clause 3(iii) of the Order is not applicable to the Company and hence not commented upon.
- (iv) In our opinion, and according to the information and explanation given to us, the Company has neither granted any loan nor made any investment under section 185 and 186 of Companies Act, 2013. Thus clause 3 (iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records for determining whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, duty of Customs, Duty of Excise , Value added Tax, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, there are no dues of service tax, duty of customs, outstanding on account of any dispute. The following are the particulars of Central Sales Tax, West Bengal Value Added Tax and Excise Due which have not been deposited on account of dispute:
  - i) In respect of CST for the Financial Year 2008-09 to 2012-13 amounting to Rs. 2,21,25,882/-.
  - ii) In respect of WB VAT for the Financial Year 2005-06 and 2010-11 amounting to Rs. 3,51,69,511/-.
  - iii) In respect of disputed Excise Duty dues aggregating to Rs. 1864.37 Lakhs raised by the Central Excise Department in contravention of order of Govt. of India, Ministry of Textile and Jute Commission branding of goods pending with the CESTAT.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

## **Bally Jute Company Limited**

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- (x) According to the information and explanations given to us, no fraud on or by the Company or by its officers' or employees' has been noticed or reported during the course of our audit.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion, the Company is not a Nidhi Company as defined under section 406 of Companies Act, 2013.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 wherever applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Accordingly, the provision of clause 3 (xiv) of the order are not applicable to the Company and hence not commented upon.
- (xv) According to the information and explanations provided to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Thus, clause 3 (xv) of the Order is not applicable to the Company and hence not commented upon.
- (xvi) According to the information and explanation provided to us and based on our examination of the records of the company, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R. KOTHARI & COMPANY**  
Chartered Accountants  
(Firm Registration No. 307069E)

K.C.Soni  
Partner  
Membership No. 057620

Place: Kolkata  
Date : 31st May, 2017



## **Bally Jute Company Limited**

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### **Annexure - B to the Independent Auditors' Report**

#### **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 internal financial controls over financial reporting of **BALLY JUTE COMPANY LIMITED** ("the Company") as of 31 March, 2017 in conjunction with our audit of the 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 base 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 ('ICAI'). 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 accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note required 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 statement, 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 to 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, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 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.

**For R. KOTHARI & COMPANY**  
Chartered Accountants  
(Firm Registration No. 307069E)  
K.C.Soni  
Partner  
Membership No. 057620

Place: Kolkata  
Date : 31st May,, 2017



**BALANCE SHEET AS ON 31st MARCH, 2017**

(In Rs.)

Particulars		Note No.	As at 31st March, 2017		As at 31st March, 2016	
<b>I. EQUITY AND LIABILITIES</b>						
<b>Shareholders' Funds</b>						
(1)	(a) Share Capital	2	129,076,590		129,076,590	
	(b) Reserves & Surplus	3	751,229,828	880,306,418	737,375,667	866,452,257
(2)	<b>Non-Current Liabilities</b>					
	(a) Long-Term Borrowings	4	84,900,000		160,000,000	
	(b) Deferred Tax Liabilities (Net)		22,935,107	107,835,107	26,747,084	186,747,084
(3)	<b>Current Liabilities</b>					
	(a) Short-Term Borrowings	5	346,945,656		340,038,202	
	(b) Trade Payables		117,056,496		213,359,452	
	(c) Other Current Liabilities	6	93,140,746		102,996,257	
	(d) Short-Term Provisions	7	21,840,048	578,982,946	16,852,461	673,246,373
	<b>Total</b>			<b>1,567,124,472</b>		<b>1,726,445,714</b>
<b>II. ASSETS</b>						
(1)	<b>Non-Current Assets</b>					
	<b>(a) Fixed Assets</b>					
	(i) Tangible Assets	8	786,396,454		829,773,658	
	(ii) Capital Work-in-Progress		4,299,645		-	
			790,696,099		829,773,658	
	(b) Non-Current Investments	9	100,000	790,796,099	100,000	829,873,658
(2)	<b>Current Assets</b>					
	(a) Inventories	10	480,604,437		643,095,107	
	(b) Trade receivables	11	192,013,217		175,132,283	
	(c) Cash & Bank balance	12	5,257,090		6,384,932	
	(d) Short-term loans and advances	13	79,349,373		57,332,862	
	(e) Other Current assets	14	19,104,057	776,328,373	14,626,872	896,572,056
	<b>Total</b>			<b>1,567,124,472</b>		<b>1,726,445,714</b>

**Significant Accounting Policies and accompanying note are integral part of these Financial Statements 1-37**

As per our Report this date annexed

**For R. Kothari & Company**

Chartered Accountants

K.C Soni

M. No. 057620

Place : Kolkata

Dated : 31st May, 2017

**Sanjay Kumar Agarwal**

General Manager (F&A) &  
Secretary

**Satyananda Sahoo**

Chief Financial  
Officer

**J.K.Kapila**

Director/Manager

**A.K.Jain**

Director

FOR & ON BEHALF OF BOARD

**Bally Jute Company Limited**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2017**

(In Rs.)

	Particulars	Notes No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	<b>INCOME</b>			
I	Revenue from Operations	15	2,335,621,808	2,366,732,404
	Less : Cess Duty		22,105,749	21,721,481
	Net Revenue from Operations		2,313,516,059	2,345,010,923
II	Other Income	16	510,299	1,003,424
III	<b>TOTAL REVENUE (I+II)</b>		<b>2,314,026,358</b>	<b>2,346,014,347</b>
IV	<b>EXPENSES</b>			
	Cost of Materials Consumed	17	1,341,041,671	1,494,631,714
	Purchase of Stock-in-trade		23,515,982	115,553,536
	Change in inventories of finished goods, Work-in-progress and Stock-in-Trade	18	97,162,230	(172,778,618)
	Employee benefits expenses	19	439,681,427	457,791,072
	Finance cost	20	57,073,716	55,361,672
	Depreciation & amortisation expenses	8	49,280,835	48,313,388
	Other expenses	21	285,585,447	326,807,021
	<b>TOTAL EXPENSES</b>		<b>2,293,341,308</b>	<b>2,325,679,785</b>
V	<b>Profit/(Loss) Before exceptional and extraordinary items and tax (III - IV)</b>		20,685,050	20,334,562
VI	Exceptional Items		--	--
VII	<b>Profit/(Loss) Before extraordinary items and tax (V - VI)</b>		20,685,050	20,334,562
VIII	Extraordinary Items			--
IX	<b>Profit/(Loss) before Tax (VII - VIII)</b>		<b>20,685,050</b>	<b>20,334,562</b>
X	Tax Expenses :			
	(1) - Current Tax		10,651,076	8,569,495
	(2) - Deferred Tax		3,811,977	1,803,929
	(3) - Income tax for earlier years		(8,211)	--
			<b>6,830,889</b>	<b>6,765,566</b>
XI	<b>Profit/(Loss) for the period from continuing operations (IX-X)</b>		<b>13,854,161</b>	<b>13,568,996</b>
XII	<b>Profit/(Loss) form discontinuing operations</b>		<b>13,854,161</b>	<b>13,568,996</b>
XIII	<b>Profit for the period (XI + XII)</b>			
	<b>Earning per Equity Share (Face Value Rs. 10/- each)</b>			
	(1) <b>Basic</b>		1.07	1.05
	(2) <b>Diluted</b>		1.07	1.05

Significant Accounting Policies and accompanying note are integral part of these Financial Statements 1-37

As per our Report this date annexed

**For R. Kothari & Company**

Chartered Accountants

K.C Soni

M. No. 057620

Place : Kolkata

Dated : 31st May, 2017

**Sanjay Kumar Agarwal**

General Manager (F&A) &  
Secretary

**Satyananda Sahoo**

Chief Financial  
Officer

**J.K.Kapila**

Director/Manager

**A.K.Jain**

Director

FOR & ON BEHALF OF BOARD

## **Bally Jute Company Limited**

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### **Notes to Financial Statements for the year ended 31st March, 2017**

#### **Corporate Information**

**Bally Jute Company Limited (The Company) was incorporated in India with limited liability by shares on September 4, 1982.**

#### **NOTE NO. 1 Significant Accounting Policies**

##### **I. Basis of Accounting**

- a) The financial statement have been prepared in accordance with Indian Generally Accepted Accounting principles (GAAP) under the historical cost convention on the accrual basis and on the principles of going concern. The accounting policies are consistently applied by the company.
- b) The company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed by the companies (Accounting Standards) Rules 2006, the provisions of the Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable).
- c) All the Assets and Liabilities have been classified as Current or Non-Current as per Company's normal operating cycle and other criteria set out in Schedule III of the Company's Act, 2013. Based on the nature of the products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of Assets and Liabilities.

##### **II. Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements reported amounts of revenues and expenses for the year.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

##### **III. Fixed Assets and Capital Work in Progress**

Fixed assets represent a significant proportion of the assets of the Company Fixed Assets are stated at their original cost less accumulated depreciation / amortisation. The Cost includes the purchase cost including import duties and non-refundable taxes and any directly attributable costs and bringing Fixed Assets to its present Location and Conditions for its intended use. Capital work in progress is stated at cost. Cost comprises of expenditure incurred in respect of the asset under development and includes any attributable / allocable cost and other incidental expenses.

##### **IV. Depreciation**

Depreciation on Fixed Assets is determined using the Straight Line method on pro-rata basis based on the useful life of the Fixed Asset as prescribed under Schedule II of the Companies Act, 2013, except for the plant & Machinery. The management estimates the useful life for Plant and Machinery to 25 years based upon the evaluation carried by the technical valuer.

##### **V. Inventories:**

Inventory of the Company have been valued as follows:

- |    |                     |   |                                           |
|----|---------------------|---|-------------------------------------------|
| a) | Raw Material        | : | At Cost                                   |
| b) | Work In Process     | : | At Estimated Cost.                        |
| c) | Stores & Spares     | : | At Weighted Average Cost.                 |
| d) | Finished Goods      | : | At Lower of Cost or Net Realisable Value. |
| e) | Shares & Securities | : | At Lower of Cost or Fair Value.           |

## **Bally Jute Company Limited**

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### **VI. Foreign Currency Transactions**

#### **a) Initial Recognition :**

Foreign currency transactions are recorded in the reporting currency, by applying exchange rate to the foreign currency amount at the date of the transaction;

#### **b) Foreign Exchange Differences :**

Exchange Differences arising on the date of settlement of monetary items are recognised as income or expense on the date of settlement. However, The resulted gain or loss relating to long term monetary item for financing acquisition of depreciable capital assets, is adjusted to the acquisition cost of such assets and depreciated over its remaining useful life.

#### **c) Conversion :**

Foreign currency monetary items outstanding at the closing of the year, are converted into India currency at the appropriate rates of exchanges prevailing on the date of the Balance Sheet.

### **VII. Revenue Recognition :**

#### **i) Sale of Product**

- a) Sales are Stated at net of cess duty, sales returns & Discounts. Raw material consumed is shown net of Sale of Raw Jute, Stores & Spares consumed are shown as net of Sale of scrap.
- b) Consignment sales are accounted for on the basis of account sales received up to the date of report and balance of stock transfers are treated as consignment sale on the basis of Performa Invoice considering net remittance receivable from Consignee. Adjustments, if required, are made on subsequent receipt of accounts sales.
- c) All Export Sales in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

#### **ii) Dividend and Interest Income**

Dividend income is recognized when the company's right to receive dividend is established which generally coincide as and when received.  
Interest income is recognized on a time proportion basis taking into account the amount Outstanding and the rate applicable.

#### **iii) Insurance Claim**

The company recognise insurance claims when the recoverability to the claim is established with a reasonable certainty which generally coincide as and when received.

#### **iv) Export Incentive**

The Company recognises Export Incentive i.e. Duty Drawback and Sale of Import license in the accounts at the time of receipt.

### **VIII. Government Grants**

Governments grants given for acquisition of specific fixed assets are deducted from the gross value of the relevant fixed assets on completion of the work in arriving at the book value.

Grants received from Government or other authorities towards revenue are recognized over the period in which the related costs are incurred and are deducted from the related expenses.

### **IX. Investment**

Investment is treated as Non Current assets & stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary nature in the opinion of the management.

## **Bally Jute Company Limited**

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### **X. Borrowing Cost**

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

### **XI. Retirement Benefits:**

- a) Contributions to Provident Fund are accounted for on accrual basis.
- b) Liability in respect of Gratuity provided on cash basis.
- c) Liability in respect to leave encashment is being accounted for on accrual basis as calculated by the Management.

### **XII. Contingent Liability:**

Contingent Liabilities are not provided for but disclosed by way of notes to the account.

### **XIII. Taxes On Income:**

Current tax is determined on the basis of the amount of tax payable on taxable income for the year. Deferred tax is calculated at current statutory income tax rate and is recognized on timing differences between taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

### **XIV. Provisions & Contingencies:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

### **XV. Earnings Per Share:**

- a) Basic earnings per share is calculated by dividing the net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- b) For the purpose of calculating diluted earnings per share, the net Profit or Loss for the year attributable to the equity shareholders and weighted average number of share outstanding if any are adjusted for the effects of all dilutive potential equity shares.

## Bally Jute Company Limited

### Notes to the Financial Statements

(In Rs.)

Particulars	As at 31st March, 2017		As at 31st March, 2016	
<b>2. SHARE CAPITAL</b>				
<b>Authorised :</b>				
13,000,000 Equity Shares of Rs. 10/- each (Previous Year 13,000,000 Equity Shares of Rs. 10/- each)	130,000,000		130,000,000	
	<b>130,000,000</b>		<b>130,000,000</b>	
<b>Issued &amp; Subscribed</b>				
12,907,659 Equity Shares of Rs. 10/- each (Previous Year 12,907,659 Equity Shares of Rs. 10/- each)	129,076,590		129,076,590	
	<b>129,076,590</b>		<b>129,076,590</b>	
<b>Paid up</b>				
12,907,659 Equity Shares of Rs. 10/- each fully paid up (Previous Year 12,907,659 Equity Shares of Rs. 10/- each)	129,076,590		129,076,590	
	<b>129,076,590</b>		<b>129,076,590</b>	
A) The reconciliation of the number of shares outstanding at the beginning and at end of the reporting period.				
	As at 31st March, 2017		As at 31st March, 2016	
	No. Of Shares	Value	No. of Shares	Value
Issued, Subscribed and fully paid up Equity shares outstanding at the beginning of the year	12,907,659	129,076,590	12,907,659	129,076,590
Add : Shares issued during the year	—	—	—	—
Issued, Subscribed and fully paid up Equity shares outstanding at the end of the year	12,907,659	129,076,590	12,907,659	129,076,590
B) The company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held and having same rights as to dividend. In the event of liquidation, the equity shareholders will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the member of equity shares held by the Shareholders.				
C) The name of Shareholders holding more than 5% shares in the Company and their numbers are as follows :				
	As on 31/3/2017		As on 31/03/2016	
NAME OF THE SHAREHOLDERS	No. Of Shares	%	No. of Shares	%
Ambica Capital Markets Limited	4,793,073	37.13	4,793,073	37.13
Aspective Tie Up Limited	1,746,000	13.53	1,746,000	13.53
Goldview Financial Services Limited	1,097,533	8.50	1,097,533	8.50
Kshitiz Merchandise Ltd.	1,686,000	13.06	1,686,000	13.06
Satbichar Vyapaar Limited	1,684,500	13.05	1,684,500	13.05

**3. RESERVE AND SURPLUS**

Particulars	As at 31st March 2016	Additions/ Created during the year	Deductions during the year	As at 31st March 2017
Capital Reserve	<b>17,076,393</b> (17,076,393)	-- -	-- -	<b>17,076,393</b> (17,076,393)
Securities Premium Reserves	<b>55,757,782</b> (55,757,782)	-	--	<b>55,757,782</b> (55,757,782)
General Reserves	<b>596,197,222</b> (596,197,222)	- -	-- -	<b>596,197,222</b> (596,197,222)
Surplus/(Deficit) in the Statement of Profit & Loss	<b>68,344,270</b> (54,775,275)	<b>13,854,161</b> (13,568,996)	-- -	<b>82,198,431</b> (68,344,270)
<b>Total</b>	<b>737,375,667</b>	<b>13,854,161</b>	--	<b>751,229,828</b>
Previous Year 2015-16	<b>(723,806,672)</b>	<b>(13,568,995)</b>	--	<b>(737,375,667)</b>

Figures in brackets reflects the figures of Last Financial Year

Notes	2017	2016
(1) Profit for the year	13,851,161	13,568,996
	<b>13,854,161</b>	<b>13,568,996</b>

(In Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>NON-CURRENT LIABILITIES</b>		
<b>4. LONG-TERM BORROWINGS</b>		
<b>Unsecured Loan</b>		
Loan from other Parties	84,900,000	1,60,000,000
	<b>84,900,000</b>	<b>1,60,000,000</b>

**Bally Jute Company Limited**

(In Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>CURRENT LIABILITIES</b>		
<b>5. SHORT-TERM BORROWINGS</b>		
<b>Secured Loans</b>		
Working Capital facility from Schedule Bank ( Canara Bank)	299,445,656	283,250,202
(i) <b>Prime:</b> Secured by hypothecation of Current assets viz. Raw Materials, Work-in-progress, Stores & Spares, Semi-Finished Goods, Finished goods and Book debts		
(ii) <b>Collateral:</b> Secured by:-		
(a) Existing Plant and Machinery		
(b) EMT of Land and factory building, shed and godown		
(iii) Personal Guarantee of Sri H.C. Kankaria and Sri A.K. Kankaria		
(iv) Corporate Guarantee of Ambica Jute Mills Ltd.		
<b>Loan from L.I.C.</b>	--	56,788,000
(Availed against assignment of Keyman insurance policy held by the company)		
<b>Unsecured Loan</b>		
Loan from Other Parties	47,500,000	--
	<b>346,945,656</b>	<b>340,038,202</b>
<b>6. OTHER CURRENT LIABILITIES</b>		
Interest accrued and due on borrowings	11,565,097	18,264,533
Statutory Dues	2,794,872	2,298,370
Liabilities for Expenses	78,546,880	81,340,231
Advance from Customer	233,897	1,093,123
	<b>93,140,746</b>	<b>102,996,257</b>
<b>7. SHORT - TERM PROVISIONS</b>		
Income Tax	21,840,048	16,852,461
	<b>21,840,048</b>	<b>16,852,461</b>



**Bally Jute Company Limited**

**8. FIXED ASSETS** (In Rs.)

Description	GROSS BLOCK-COST/BOOK VALUE			DEPRECIATION/AMORTISATION			NET BLOCK			
	Total as at 31st March 2016	Additions/adjustment during the year	Deductions/adjustments during the year	Total as at 31st March 2017	Total as at 31st March 2016	Provided during the year	Deductions/adjustments during the year	Total as at 31st March 2017	As at 31st March 2017	As at 31st March 2016
<b>A. Tangible</b>										
Land Freehold	349,960,510	-	-	349,960,510	--	-	-	-	349,960,510	349,960,510
Buildings	161,142,336	--	--	161,142,336	57,373,212	5,241,851	--	62,615,063	98,527,273	103,769,124
Computer	30,248,458	24,500	--	30,272,958	28,241,357	370,699	--	28,612,056	1,660,902	2,007,101
Plant & Machinery	793,133,487	3,855,593	--	796,989,080	424,672,838	42,326,868	--	466,999,706	329,989,374	368,460,649
Vehicles	4,553,498	825,953	--	5,379,451	1,110,063	554,043	--	1,664,106	3,715,345	3,443,435
Office Equipments	4,387,203	830,300	--	5,217,503	2,655,549	720,708	--	3,376,257	1,841,246	1,731,654
Furniture & Fixtures	1,254,905	367,285	--	1,622,190	853,720	66,666	--	920,386	701,804	401,185
<b>TOTAL</b>	1,344,680,397	5,903,631	--	1,350,584,028	514,906,739	49,280,835	--	564,187,574	786,396,454	829,773,658
<b>B. Capital Work in Progress</b>										
	-	4,299,645	-	4,299,645	-	-	-	-	4,299,645	--
<b>TOTAL (A+B)</b>	<b>1,344,680,397</b>	<b>10,203,276</b>	<b>-</b>	<b>1,354,883,673</b>	<b>514,906,739</b>	<b>49,280,835</b>	<b>-</b>	<b>564,187,574</b>	<b>790,696,099</b>	<b>829,773,658</b>
Previous Year :-	1,329,090,893	15,998,549	409,045	1,344,680,397	466,709,310	48,313,388	115,959	514,906,739	829,773,658	

## Bally Jute Company Limited

### Notes to the Financial Statements

			(In Rs.)	(In Rs.)
Particulars			As at 31st March, 2017	As at 31st March, 2016
<b>9. NON CURRENT INVESTMENTS</b>				
<b>Non Trade Investment Unquoted (shares)</b>				
Number	Face Value per unit	Name of the Company		
10000 (10000)	Rs. 10	AKK Mercantile Pvt. Ltd. (Fully paid Equity Shares)	100,000	100,000
			<b>100,000</b>	<b>100,000</b>
<b>CURRENT ASSETS</b>				
<b>10. INVENTORIES (As certified by Management)</b>				
Raw Materials			220,958,122	286,344,908
Work-in-progress			73,652,090	82,035,195
Finished Goods			168,902,137	257,681,262
Stores & Spares			17,092,088	17,033,742
			<b>480,604,437</b>	<b>643,095,107</b>
<b>11. TRADE RECEIVABLES</b>				
<b>Unsecured (Considered Good)</b>				
Debts outstanding for a period of more than six months from the date they are due for payment.			15,813	3,183
Others			191,997,404	175,129,100
			<b>192,013,217</b>	<b>175,132,283</b>
<b>12. CASH AND CASH BALANCES</b>				
<b>CASH &amp; CASH EQUIVALENTS</b>				
In Current Accounts with Schedule Bank			921,899	459,629
Cash in hand and as Imprest Certificates			868,711	2,948,206
<b>OTHER BANK BALANCES</b>				
Fixed Deposit with Bank (Maturity less than 12 months)			3,466,480	2,977,097
			<b>5,257,090</b>	<b>6,384,932</b>

## Bally Jute Company Limited

### Notes to the Financial Statement

(In Rs.)

(In Rs.)

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>13. SHORT TERM LOANS AND ADVANCES</b> (Unsecured, Considered good) <b>Advances Recoverable in cash or kind or for value to be received</b>		
Advances to Employees	11,489,839	4,277,497
Advance to Suppliers	19,257,326	7,885,432
Advances to Others	22,007,593	24,339,716
Deposits	3,777,957	3,277,957
Deposit/Balances with Statutory Authorities	78,400	44,149
Advance Income Tax (Including Tax deducted at source)	22,738,457	17,508,111
	<b>79,349,572</b>	<b>57,332,862</b>
<b>14. OTHER CURRENT ASSETS</b>		
Due form Government authorities	8,516,195	8,327,247
Prepaid Expenses	10,587,862	6,299,625
	<b>19,104,057</b>	<b>14,626,872</b>
<b>15. REVENUE FROM OPERATIONS</b>		
Sales of Jute Goods	2,313,886,765	2,341,525,330
Sale of Import License	12,121,810	8,273,325
Duty Drawback on Export	9,613,233	16,933,749
Revenue from operations (Net)	<b>2,335,621,808</b>	<b>2,366,732,404</b>
<b>16. OTHER INCOME</b>		
Interest Income	482,996	1,003,424
Miscellaneous Income	27,303	--
	<b>510,299</b>	<b>1,003,424</b>
<b>17. COST OF MATERIALS CONSUMED</b>		
Opening Stock	286,344,908	247,643,452
Add : Purchase [Net of Sales refer Note No. 26]	1,275,654,885	1,533,333,170
Less : Closing Stock	220,958,122	286,344,908
	<b>1,341,041,671</b>	<b>1,494,631,714</b>

## Bally Jute Company Limited

### Notes to the Financial Statement

Particulars	(In Rs.)	(In Rs.)
	As at 31st March, 2017	As at 31st March, 2016
<b>18. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing Stock in Progress	73,652,090	82,035,195
Closing Stock - Finished Goods	168,902,137	257,681,262
	<b>242,554,227</b>	<b>339,716,457</b>
Opening Stock in Progress	82,035,195	43,987,211
Opening Stock - Finished Goods	257,681,262	122,950,628
	<b>339,716,457</b>	<b>166,937,839</b>
(Increase) / Decrease in Stock	97,162,230	(172,778,618)
<b>19. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages & Allowances & Bonus	395,199,187	411,770,412
Contribution to Provident & Other Fund	43,128,935	44,471,988
Staff Welfare Expenses	1,011,305	1,206,672
Director Remuneration	342,000	342,000
	<b>439,681,427</b>	<b>457,791,072</b>
<b>20. FINANCE COST</b>		
Interest Expenses	50,366,444	53,225,516
Exchange Rate Fluctuation	6,707,272	2,136,156
	<b>57,073,716</b>	<b>55,361,672</b>
<b>21. OTHER EXPENSES</b>		
Store & spares consumed [refer note 26]	106,017,605	129,187,807
Power & Fuel	110,002,090	121,833,239
Repairs to Building	7,654,613	2,372,563
Repairs to Machinery	648,654	139,831
Insurance Premium	19,453,989	12,158,382
Bank Charges	6,309,239	8,723,861
Rates & Taxes	2,732,446	2,821,358
Brokerage & Commission	8,154,186	8,889,640
<b>Payment to Auditors</b>		
As Auditor		
Statutory Audit	264,500	206,100
Tax Audit	115,000	85,875
Miscellaneous Expenses	24,233,125	40,388,365
	<b>285,585,447</b>	<b>326,807,021</b>

## Bally Jute Company Limited

### Notes to Financial Statements for the year ended 31st March, 2017

#### Additional Notes in relation to Financial Statements

22. Contingent Liability not provided in respect of
- Bank Guarantee given by the Company's amounting to Rs. 2,78,30,000/- (Previous year Rs. 2,87,30,000/-).
  - Claim not acknowledge by the Company for sales tax demand for various financial year under appeal Rs.5,72,95,393/- (P.Y. Rs. 6,56,06,965/-).
  - Corporate guarantee given to the Bankers of M/s Score Information Technologies Limited for credit facility availed by them from Canara Bank amounting to Rs. 2,29,88,307/- as on 31st March 2017 (P.Y. 7,31,61,132/-).
  - The company paid Rs. 4,10,574/- for liability of Rs. 4,10,574/- against Payment of Gratuity Act 1972, matter is pending under appeal with the appellate Authority.
  - The Company paid an Advance of Rs. 7,82,000/- against the demand raised by E.S.I.C. of Rs. 38,45,609/- for which the company made an appeal.
  - The Company has deposited Rs.1,39,82,780/- against disputed excise duty. The matter is pending under appeal with the appellate authority.
23. Liability of Gratuity has been determined on the basis of Actuarial valuation as per revised AS-15 as on 31.03.2017 Rs. 17,21,87,281/- (P.Y. Rs.17,24,98,636/-). The same will be accounted for as and when paid.
24. Auditors Remuneration consists of:

(Excluding Service Tax)

Particulars	Year 2016-17	Year 2015-16
Audit Fees	2,30,000	1,80,000
Tax Audit Fees	1,00,000	75,000

25. Valuation of closing stock of finished goods is taken without considering the levy of cess duty on such stock. It is not in conformity by AS-2 issued by Institute of Chartered Accountants of India. Non inclusion of cess duty amounting to Rs. 16,89,021/- has no impact on profitability for period under review but has consequential impact on inventory of finished goods as well as provision of cess duty.
26. Cost of Material Consumed is shown after adjusting sale of Raw Jute totalling to Rs. 17,31,115/-(P.Y.- Rs.5,67,44,155/-) and stores & spares consumed are net of sales of scrap totalling to Rs. 28,06,564/- (P.Y.- Rs.47,95,388/-).
27. a) In the opinion of the Management, all the assets other than Fixed Assets and Non-Current Investments have a value of realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.
- b) The Company is yet to receive the balance confirmations in respect of certain trade payables, other payables, trade receivables, other receivables and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.
28. There are no micro, small, medium enterprises to which the company owes dues which are outstanding for more than 45 days during the year ended and also as on 31st March, 2017. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act' 2005 has been determined to the extent such parties have identified on the basis of information available with the company.
29. As required under Accounting Standards – 28, the carrying amount of asset does not exceeds its recoverable amount. Hence loss on account of impairment is not recognized.

#### 30. SEGMENT REPORTING

The entire operation of the Company relates to only one segment i.e. Jute Goods. As such there is no separate reportable segment as defined under Accounting Standard-17 issued by the Institute of Chartered Accountants of India on segment reporting.

## Bally Jute Company Limited

### Notes to Financial Statements for the year ended 31st March, 2016

31. RELATED PARTY DISCLOSURE :

Name of the related Parties and relationship with them:

Relationship	Nature of Related Party	Nature of Transaction	Transaction during the year	Balance Outstanding as on 31/03/2017 (Rs.)
Company having Significant Influence	Bally Jute Mills Employee's Provident Fund Trust	P.F.Contribution		Rs. 34,44,460/- (P.Y. 33,33,012/-)
Key Managerial Personnel	J.K.Kapila (Manager cum Director)	Remuneration	Rs. 3,42,000/- (P.Y. 3,42,000/-)	
Key Managerial Personnel	Mr. M.R. Yagnik (President)	Remuneration	Rs. 17,33,500/- (P.Y. 15,81,500/-)	

32. EARNING PER SHARE:

Earning per Share is calculated by dividing the Profit after Tax, attributable to the Equity Share holders by the weighted average number of Equity Shares Outstanding during the year as below.

Particulars	31.03.2017	31.03.2016
Nominal Value per share (RS.)	10	10
Profit after Taxation (RS.)	1,38,54,161	1,35,68,995
Weighted average no. of shares		
- For Basic E.P.S	1,29,07,659	1,29,07,659
- For Diluted E.P.S	1,29,07,659	1,29,07,659
Basic Earning per Share (RS.)	1.07	0.05
Diluted Earning per Share (RS.)	1.07	1.05

33. DEFERRED TAXATION :

In view of Accounting Standards 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred tax Assets for the year amounting to Rs.38,11,977/- (P.Y. Rs. 18,03,929/-) has been recognized in the statement of Profit & Loss .

The deferred Tax Assets & Liabilities comprise of tax effect of following timing differences:

Particulars	2016-17 (Rs.)	2015-16 (Rs.)
Depreciation as per Income Tax Act	3,77,51,402	4,28,57,354
Depreciation as per co's Act	4,92,80,835	4,83,13,388
Differential depreciation	1,15,29,433	54,56,034
Deferred Tax Assets @ 33.063%	38,11,977	18,03,929
Opening of Deferred Tax Liability	2,67,47,084	2,85,51,013
Less : Deferred Tax Assets	38,11,977	18,03,929
Closing Balance of Deferred Tax Liability	2,29,35,107	2,67,47,084

## Bally Jute Company Limited

### Notes to Financial Statements for the year ended 31st March, 2017

#### 34. QUANTITATIVE DETAILS :

Sl. No.	Particulars	Value (Rs.) 2016-17	%	Value (Rs.) 2015-16	%
i)	Value of Imported and Indigenous Raw Material & Stores (Including Components & Spare Parts) Consumed				
	<b>Raw Material :—</b>				
	Imported	23,25,81,609	17.34%	26,03,19,706	17.42%
	Indigenous	110,84,60,062	82.66%	123,43,12,008	100%
	<b>TOTAL</b>	<b>134,10,41,671</b>		<b>149,46,31,714</b>	
	Stores :—				
	Imported	--	--	--	--
	Indigenous	10,60,17,605	100%	12,91,87,807	100%
	<b>TOTAL</b>	<b>18,60,17,605</b>	<b>100%</b>	<b>12,91,87,807</b>	<b>100%</b>
ii)	<b>Earning in Foreign Currency :</b>				
	Export of goods calculated on F.O.B. Basis	22,44,71,574		31,36,03,494	--
iii)	<b>Expenditure in Foreign Currency :</b>				
	Import of Raw Jute	23,25,81,609	--	26,03,19,706	
	Travelling Expenses	39,77,554	--	36,33,733	--

iii	<b>Expenditure in Foreign Currency</b>				
	Import of Raw Jute	23,25,81,609		26,03,19,706	
	Travelling Expenses	37,77,554		36,33,733	

35. During the year, the company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below :

Particulars	SBNs	Other Denominations Notes	Total
Opening cash in hand as on 08.11.16	25,00,000/-	23,19,371/-	48,19,371/-
Add: Permitted Receipts	10,48,000/-	6,21,666/-	16,69,666/-
Less: Permitted Payments	10,00,000	1,17,180/-	11,17,180/-
Less: Amount deposited into bank	25,48,000/-	NIL	25,48,000/-
Closing Cash in hand as on 30.12.16	NIL	28,23,857/-	28,23,857/-

36. Previous year figure has been rearranged and regrouped wherever consider necessary to confirm to this year's classification.

37. Figures are rounded off to the nearest rupee.

**For R. Kothari & Company**

Chartered Accountants

F.R.N. No : 307069E

K.C Soni

M. No.057620

Place : Kolkata

Dated : 31st May, 2017

**Sanjay Kumar Agarwal**  
General Manager (F&A) &  
Secretary

**Satyananda Sahoo**  
Chief Financial  
Officer

**J.K.Kapila**  
Director/Manager

**A.K.Jain**  
Director

FOR & ON BEHALF OF BOARD

## Bally Jute Company Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017		(In Rs.)
Particulars	For the Year Ended 31.03.2017	For the Year Ended 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX &amp; EXTRAORDINARY ITEMS</b>	20,685,050	20,334,562
Adjustments For :		
Depreciation & Amortisation Expenses	49,280,835	48,313,388
Loss on Sale of Machinery	-	128,086
Interest & Finance Charges	57,073,716	55,361,672
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	127,039,601	124,137,708
Adjustments For :		
Trade & Other Receivables	(43,374,829)	(78,602,070)
Inventories	162,490,670	(207,877,840)
Trade Payables	(94,263,427)	148,172,718
<b>CASH GENERATED FROM OPERATIONS</b>	151,892,015	(14,169,484)
Direct taxes paid	(10,642,865)	(8,569,495)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	141,249,150	(22,738,979)
<b>EXTRA ORDINARY ITEMS</b>	-	-
<b>NET CASH FROM OPERATING ACTIVITIES AFTER EXCEPTIONAL ITEMS (A)</b>	<b>141,249,150</b>	<b>(22,738,979)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Expenditure on Fixed Assets	(10,203,276)	(15,998,549)
Proceeds from Sale of Fixed assets	-	165,000
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(10,203,276)</b>	<b>(15,833,549)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment & Proceeds from borrowings	(75,100,000)	95,000,000
Payment of Interest & Finance Charges	(57,073,716)	(55,361,672)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(132,173,716)</b>	<b>39,638,328</b>
<b>NET INCREASE/ (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(1,127,842)</b>	<b>1,065,800</b>
Cash and Cash Equivalents as at the commencement of the year	<b>6,384,932</b>	<b>5,319,132</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	<b>5,257,090</b>	<b>6,384,932</b>

Notes : Figure in brackets represent outflows.

Significant Accounting Policies and accompanying note are integral part of these Financial Statement 1 - 37

As per our Report this date annexed

**For R. Kothari & Company**

Chartered Accountants

K.C Soni

M. No. 057620

Place : Kolkata

Dated : 31st May, 2017

**Sanjay Kumar Agarwal**  
General Manager (F&A) &  
Secretary

**Satyananda Sahoo**  
Chief Financial  
Officer

**J.K.Kapila**  
Director/Manager

**A.K.Jain**  
Director

FOR & ON BEHALF OF BOARD



***Bally Jute Company Limited***

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