

# **Bally Jute Company Limited**

**Annual Report  
With  
Annual Accounts**

**2014-15**

**BALLY JUTE COMPANY LTD.**

CIN: L51909WB1982PLC035245

Reg. Office: 5, Sree Charan Sarani, Bally, Howrah-711201

Phone: +91-33-2671 2086/ 2036 / 5049 /5051

Fax :91-33- 2671-8270

Website: [www.ballyjute.com](http://www.ballyjute.com)

**NOTICE**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of the M/s Bally Jute Company Limited will be held at the Registered office of the company at 5, Sree Charan Sarani, Bally, Howrah-711201 on Wednesday, 30<sup>th</sup> September, 2015 at 10.00 A.M. for the following purpose :-

**ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Directors Report, the Audited statement of Profit and Loss for the financial year ended 31<sup>st</sup> March 2015 and the Balance Sheet as on that date and the Auditors Report thereon.
- 2 To appoint Sri Jitendra Kumar Kapila ( holding DIN-00320521), Who retires by rotation, and being eligible, offer himself for re-appointment.
- 3 To ratify appointment of M/s R.Kothari & Co, Chartered Accountants, as Statutory Auditors of the Company for the year 2015-16 at a remuneration and on the terms and conditions as shall be fixed by the Board of Directors.

**SPECIAL BUSINESS**

- 4 To consider and if thought fit, to pass with or without modification(s) the following resolution as a Ordinary Resolution:

“RESOLVED THAT Mrs Nibedita Majumder (holding DIN- 07168214), Additional Director who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non executive Director of the Company, pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder ( including any statutory modification(s) or re-enactment thereof for the time being in force) whose period of office shall be liable to determination by retirement of Directors by rotation.

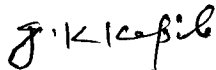
- 5 To consider and if thought fit, to pass with or without modification(s) the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) rules, 2014 (including any statutory modification(s) or re-enactment, thereof, for the time being in force), the remuneration of Rs. 20,000/- (all inclusive) plus service tax, if any applicable payable to M/s BG Chowdhury & Co., Cost Accountants, who has been appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost accounting records maintained by the Company for the year ending 2016 be and is hereby ratified.”

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

**Registered Office:**  
5, Sree Charan Sarani,  
Bally, Howrah-711201  
28<sup>th</sup> August 2015

CERTIFIED TRUE COPY  
For and on behalf of the Board of Director

  
DIRECTOR  
(DIN- 00320521)

## **CIN- L51909WB1982PLC035245**

### **NOTES :**

1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 Which sets out details relating to special Business of the meeting, is annexed hereto.
2. A Member entitled to attend and vote at the meeting is also entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy in order to be effective must be duly stamped, completed, signed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The register of Members and Share transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 ( both days inclusive).
4. Details under clause 49 of the listing agreement with the stock exchanges in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
5. All documents referred to in the accompanying Notice and the explanatory statement shall be open for inspection at the Registered office of the Company during normal business hours on all working days upto the date of AGM.
6. Members/ Proxies are requested to bring the attendance slip along with their copy of Annual report with them at the AGM.
7. Members are requested to send their queries, if any, at least 10 days in advance of the meeting so that the information can be made available at the meeting.
8. **Voting through electronic means:**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 33rd Annual General Meeting 2015 by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an

electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 27th September, 2015 (9:00 am) and ends on 29th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23<sup>rd</sup> September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    - (i) Open email and open PDF file attached viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL:  
<https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "BALLY JUTE COMPANY LIMITED".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csmukeshc@gmail.com](mailto:csmukeshc@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM [for members having shares in physical mode or whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23<sup>rd</sup> September, 2015.
  - X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
  - XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only

shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- XIII. Mr. Mukesh Chaturvedi, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper/ Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at [www.ballyjute.com](http://www.ballyjute.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to The Calcutta Stock Exchange Limited, Kolkata.

**CIN- L51909WB1982PLC035245**

**Annexure to the Notice**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item No. 4:**

Mrs Nibedita Majumder was appointed as Additional Director of the Company with effect from 4<sup>th</sup> May 2015. Under Section 152 & 161(1) of the Companies Act, 2013 and Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 framed there under, Mrs. Nibedita Majumder holds office only up to the date of this Annual General Meeting of the Company. The Company has received a notice in writing from a member along with the deposit of requisite amount proposing the candidature of Mrs. Nibedita Majumder as a non executive Director of the Company.

The Board commends the election of Mrs. Nibedita Majumder as Director of the Company whose office is liable to determination by retirement of directors by rotation.

Save and except Mrs. Nibedita Majumder and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board Commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

**Item No. 5:**

M/s B.G.Chowdhury & Co, Cost Accountants, were appointed as Cost Auditors by the Board of Directors to audit the cost records maintained by the Company in connection with manufacture of Jute products for the financial year 2015-16 on the recommendation of Audit Committee at a remuneration of Rs 20000/- (all inclusive) plus service tax if applicable.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as approved by the Board is required to be ratified subsequently by the members of the company. Accordingly, consent of members is sought for passing an ordinary Resolution as set out in item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March 2016.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the members.



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:**

<b>Name of Director</b>	Mrs Nibedita Majumder
<b>Date of Birth</b>	29.01.1977
<b>Date of Appointment</b>	04.05.2015
<b>Expertise in specific functional areas</b>	Marketing and Administration
<b>Qualification</b>	B.A.
<b>List of outside Directorship held</b>	Nil
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Member- Audit Committee Member- Nomination and Remuneration Committee
<b>Chairman/Member of the Committee of the Board of Directors of the other Public Company</b>	None
<b>Shareholding of the Non-Executive Director</b>	Nil
<b>Relationship between Directors inter-se</b>	None

<b>Name of Director</b>	Mr. Jitendra Kumar Kapila
<b>Date of Birth</b>	28.09.1930
<b>Date of Appointment</b>	07.02.2006
<b>Expertise in specific functional areas</b>	A textile technologist, associated with diversified jute products technology and manufacturing for more than 60 years
<b>Qualification</b>	B.Sc and B.Tex
<b>List of outside Directorship held</b>	Satbichar Vyappar Ltd. Nalanda Builders Pvt.Ltd. Ballyfabs International.Ltd. Innovative Sales Agencies Pvt. Ltd. Auckland Services And Securities Ltd. Anuradha Carpets & Matting's Ltd. Sapphire Vyapaar Pvt. Ltd
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Member- Stakeholders Relationship Committee. Member- Finance Committee
<b>Chairman/Member of the</b>	

<b>Committee of the Board of Directors of the other Public Company</b>	None
<b>Shareholding of the Non-Executive Director</b>	Nil
<b>Relationship between Directors inter-se</b>	None

**Registered Office:**  
5, Sree Charan Sarani,  
Bally, Howrah-711201  
28<sup>th</sup> August 2015

**CERTIFIED TRUE COPY**  
For and on behalf of the Board of Director

*J. K. 1000*  
**DIRECTOR**  
(DIN- 00320521)

**BALLY JUTE COMPANY LIMITED**

**Regd Office: 5, SREE CHARAN SARANI, BALLY HOWRAH- 711201**

**CIN: L51909WB1982PLC035245**

**E Mail Id: sanjay.agarwal@kankariagroup.com**

**DIRECTORS REPORT FOR THE FINANCIAL YEAR 2014-2015**

**To,  
The Members,**

Your directors have pleasure in presenting their 33<sup>rd</sup> Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March 2015.

**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 31<sup>st</sup> March 2015</b>	<b>Year ended 31<sup>st</sup> March 2014</b>
Turnover	17756.23	17381.41
Profit before finance charges, Tax, Depreciation/Amortization	973.20	899.49
Less: finance Charges	473.07	328.56
Profit before Tax, Depreciation/Amortization	500.13	570.93
Less: Depreciation	432.41	405.97
Net Profit before Taxation	67.72	164.96
Provision for Taxation	22.25	45.46
Profit/(Loss) after tax	45.47	119.50
Provision for proposed dividend	NIL	NIL
Dividend Tax	NIL	NIL
Transfer to General Reserves	NIL	NIL

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

During the year under review there has been rise of about 2.15 % in sales compared to corresponding previous year as under:

	PRODUCTION	SALES	PBT
2013-14	28293 M.T.	173.81 Crores	1.65 Crores
2014-15	28305.5 M.T.	177.56 Crores	0.68 Crores

## **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, 2015.

## **CORPORATE GOVERNANCE**

A report on Corporate Governance along with a certificate from Practicing Company Secretary confirming Compliance of the conditions of Corporate Governance and forming part of the report is annexed hereto as Annexure -1.

## **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**

Twelve Meetings of the Board were held during the financial year ended on 31.03.2015. 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.

### **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.

### **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**

Mrs. Nibedita Majumdar was appointed as Additional Director of the Company with effect from 04.05.2014. Under section 161(1) of the Companies Act, 2013 Mrs. Nibedita Majumdar holds office upto the date of this Annual General Meeting of the Company. A notice has been received from a member along with the deposit of requisite amount proposing the candidature of Mrs. Nibedita Majumdar for the office of Director of the Company.

Mr. Swapan Kumar Dey has resigned as director of the company on 28.03.2015. Your directors place their gratitudes for the service rendered by him during his tenure as director of the Company.

Mrs. Binu Jain who was appointed on 28.03.2015 on the Board of the Company, has resigned as director of the company on 04.05.2015. Your directors place their gratitudes for the service rendered by her during her tenure as director of the Company

To appoint Sri Jitendra Kumar Kapila ( holding DIN-00320521) , Who retires by rotation, and being eligible , offer himself for re-appointment.

### **KEY MANAGERIAL PERSONNEL**

During the year Mr. Jitendra Kumar Kapila, director who fulfills the conditions specified in Section 196,197,198 and 203 read with schedule V of the Companies Act 2013 and Rules framed there under, be and is hereby appointed as the Manager of the Company for a period of three years effective from 1st August 2014.

Mr. Satyananda Sahoo who has been working with the Company as a cost Accountant for many years was re-designated as the Chief Financial Officer (CFO) and KMP of the Company w.e.f. 30.03.2015.

### **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.

### **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 Act and clause 49 of Listing Agreement entered into with the stock exchange. 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 REPORT**

Secretarial Audit Report in prescribed format MR 3 is given as annexure- 4 which form the part of this report.

### **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 Act and Clause 49 of the Listing Agreement.

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 listing agreement 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 conductor 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.

## **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 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 zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace, in line with the provisions of the sexual harassment of women at workplace (prevention, prohibition and redressal) Act, 2013 and Rules thereunder. The policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The company has also constituted an internal complaints committee to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during financial year 2014-2015.

## **STATUTORY AUDITORS**

M/s R.Kothari & Co. are the statutory auditors of the Company and hold the office till the conclusion of the forthcoming Annual General Meeting (AGM). M/s R.Kothari & Company have furnished a certificate, confirming that if re-appointed, their re-appointment will be in accordance with section 139 read with section 141 of the Act. Pursuant to the provisions of the Act and Rules made thereunder it is proposed to appoint M/s R.Kothari & Co. as the statutory auditors of the Company from the forthcoming AGM till the conclusion of 35<sup>th</sup> AGM to be held in the year 2017 subject to ratification of their appointment at the AGM to be held in 2016.

## **COST AUDITORS**

The Board of Directors has appointed Messers B.G Chowdhury & Co. ,Cost Accountants, as cost Auditors for conducting audit of cost accounts maintained by the company 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.



The due date for filing of the Cost Audit Report for the financial year 2013-2014 was 30<sup>th</sup> September 2014. The Company has filed the report with the Ministry of Corporate affairs on 26<sup>th</sup> September, 2014.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

The government has continued with its support measures under the Jute Packaging Materials (Compulsory use in packing commodities) Act 1987 and the order for compulsory packaging of food grains at 90% and sugar at 20% has been extended during the whole of jute year until 30<sup>th</sup> June 2015. We are hopeful that the said reservation percentage order under JPMA is likely to be extended further until June 30 2016 as per recommendation of Standing Advisory Committee.

The jute industry has been facing problems of bunching of government orders in particular months. However, the jute commissioner has been taking pro-active measures through B.Twill coordination committee meetings and further taken effective steps to obviate such situations in the larger interest of jute industry. We are hopeful of positive outcome in streamlining the process of procurement of jute goods by various government agencies.

The Jute Commissioner in view of the CCEA decision is in the process of formulating a new mechanism for allocation of production control orders considering due weightage for production efficiency, export, ability to sell in private market in addition to present criterion of installed capacity. The National Jute Board has devised scheme for sanitation facilities to jute mill workers and scholarship scheme for children of jute mill workers in order to help improve socio-economic conditions. The National Jute Board has also implemented 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 medium for packing materials at all times to come.

#### **(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.
- 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, large crop size in Bangladesh helps overcome shortage in case of emergency situation. Moreover, proper advance procurement planning of raw jute helps 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 railway station 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 outlook of industry is bright owing to jute being a natural fibre with bio-degradable characteristics. Moreover, world over the eco-friendliness have gathered momentum and the same would pave way for large export markets for traditional as well as value added diversified products. The Government policy has been comprehensive and would help generate demand in the domestic market.

#### **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 )		
Particulars	2014-2015	2013-2014
Revenue from Operations (Net)	17756.23	17381.41
Cost of Material Consumed	10415.37	9333.45
Finance Cost	473.07	328.56
Profit After Tax	45.47	119.50
Inventory	4352.17	3204.65

### **G. HUMAN RESOURCES**

The industrial Relations of the production unit of the Company during the financial year 2014-2015 were peaceful and harmonious. Supervisory Development programs on productivity, safety, cost control, Communications and human relations are being carried out. With high level of Commitment and loyalty by staff members, the Company is confident to face the challenges of the tougher 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, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, 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, 2015 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:
  - 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**

Your 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- Howrah

Date – 28.08.2015

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

*J.K. Kapile*

**(Chairman)**

**(00320521)**

**BALLY JUTE COMPANY LIMITED**  
**CIN- L51909WB1982PLC035245**  
**REPORT ON CORPORATE GOVERNANCE**

The Report containing the details of Corporate Governance System and process at Bally Jute Company Limited in accordance with Clause 49 of the Listing Agreement with Calcutta Stock exchange Limited (CSE).

### 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 :

#### Composition and Board Meetings

As on 31<sup>st</sup> March, 2015, the Board of Directors had four members comprising of two Independent Director, a director cum manager and a 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 clause 49 of Listing Agreement.

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 is a Director. None of the Directors holds office in more than 20 companies and in more than 10 public companies. The composition of the Board of Directors, membership of the Directors in other Board and Board Committees are as follows.

N a m e	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	2	-

Mr. Ajit Kumar Jain	Independent & Non Executive	4	4	4
Mr Pradip Debnath	Independent & Non Executive	-	2	-
Mr Swapan Kumar Dey*	Non Executive Director	-	-	-
Mrs. Binu Jain**	Non Executive Director	3	-	-

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

\*resigned on 28/03/2015

\*\*appointed on 28/03/2015

During the year Twelve Board meetings were held on 10th April'2014, 30th April'2014, 3<sup>rd</sup> June'2014, 12<sup>th</sup> June'2014, 17<sup>th</sup> July,2014, 31<sup>st</sup> July'2014, 5<sup>th</sup> September'2014, 31<sup>st</sup> October'2014,15<sup>th</sup> . December'2014, 30<sup>th</sup> January'2015, 17<sup>th</sup> February'2015, 28<sup>th</sup> March'2015,

N a m e	No. of Board Meeting Attended	Attendance at last AGM held on
Mr. Jitendra Kumar Kapila	11	Present
Mr. Ajit Kumar Jain	12	Present
Mr Pradip Debnath	12	Present
Mr Swapan Kumar Dey*	11	Present
Mrs. Binu Jain**	0	Absent

\*resigned on 28/03/2015

\*\*appointed on 28/03/2015

#### **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 15th December 2014 as required under Schedule IV to the Companies Act 2013 (Code of Independent Directors) and Clause 49 of the Listing Agreement. 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. COMMITTEES OF BOARD**

#### **(A) AUDIT COMMITTEE**

##### **Terms of Reference**

The Company has duly constituted Audit Committee in compliance with provisions of the companies Act, 2013 and Clause 49 of the Listing Agreement 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 revised provisions of clause 49 of the Listing Agreement. 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.
- f. And,generally, all items in Clause 49 III(D) of the Listing Agreement and Section 177 of the Companies Act 2013.

##### **(a) 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	7
Mr. Pradip Debnath, (Member)	Independent Director	7
Mr. Swapan Kumar Dey, (Member) *	Non Executive Director	7

\*resigned on 28/03/2015

During the year Seven Audit Committee meetings were held on 25<sup>th</sup> April 2014, 2<sup>nd</sup> June 2014, 23<sup>rd</sup> July 2014, 30<sup>th</sup> August 2014, 22<sup>nd</sup> October 2014, 28<sup>th</sup> January 2015 and 21<sup>st</sup> March 2015.

#### **(B) NOMINATION AND REMUNERATION COMMITTEE**

The Company has duly constituted Nomination and Remuneration Committee in compliance with provisions of the companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time.

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



- f) And, generally, all items in Clause 49 III(D) of the Listing Agreement and Section 177 of the Companies Act 2013.

**(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	5
Mr. Pradip Debnath, (Member)	Independent Director	5
Mr. Swapan Kumar Dey, (Member)*	Non Executive Director	5

\*resigned on 28/03/2015

During the year Five Nomination and Remuneration Committee meetings were held on 29<sup>th</sup> April 2014, 30<sup>th</sup> July 2014, 18<sup>th</sup> October 2014, 16<sup>th</sup> January 2015 and 23<sup>rd</sup> March 2015.

**( C ) 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 and Clause 49 of the Listing Agreement.

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.

**(d) Compensation**

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. Non-Executive Directors are not paid any remuneration or sitting fees.

**(C) Stake Holders Relationship Committee**

A committee of the Board constituted to specifically look into the grievances of shareholders/investors continued its function during the year ended March 31, 2015. The Committee was re-constituted to align with the requirements of Companies Act 2013 and the listing agreement entered into with the Stock Exchange. The members and chairman of the committee are:-

Mr Ajit Kumar Jain (chairman)

Mr Jitendra Kumar Kapila (member)

Mr. Pradib Debnath (member)

Mr. Swapan Kumar Dey (member)

The Committee met four times during the year under report on 29<sup>th</sup> April 2014, 30<sup>th</sup> July 2014, 18<sup>th</sup> October 2014 and 16<sup>th</sup> January 2015. No complaints were received from the Investors/Share holders.

**(D) 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 within the overall 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 (chairman)

Mr Jitendra Kumar Kapila (member)

The Committee met four times during the year under report on 28<sup>th</sup> April 2014, 7<sup>th</sup> July 2014, 6<sup>th</sup> October 2014 and 5<sup>th</sup> January 2015.

#### **4. GENERAL BODY MEETINGS**

Details of the last three Annual General Meetings held are as under :

Financial Year	Location	Date	Time	Special Resolution
2011 -12	5, Sree Charan Sarani Bally, Howrah.	29.09.2012	10.30 A.M.	None
2012-13	- do-	30.09.2013	11.30 A.M	None
2013-14	-do-	29.09.2014	11.30 A.M	2

#### **5. 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.

#### **6. DISCLOSURES**

- The particulars of transaction between the Company and its related Parties as per the Accounting Standard (As-18) are set out in Note No.33 in the notes of the Accounts for the year.
- No penalties/strictures have been imposed on the Company by the Stock Exchange / SEBI / Statutory Authorities on any matter related to Capital markets during the last three years.

#### **7. 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 2014-15. A declaration to this effect duly signed by manager forms part of this Annual Report.

#### **8. 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 agreement.

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

## **9. GENERAL SHAREHOLDER INFORMATION**

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

33<sup>rd</sup> Annual General Meeting will be held on 30<sup>th</sup> September '2015 at 10.00 A.M..  
at its Registered Office at 5, Sree Charan Sarani, Bally, Howrah – 711 201

### **b) Financial Calendar (2015-2016):** (tentative)

Quarter ending June 30,2015	: On or before 14 <sup>th</sup> August, 2015
Quarter ending September 30,2015	: On or before 14 <sup>th</sup> November, 2015
Quarter ending December 31,2015	: On or before 14 <sup>th</sup> February , 2016
Quarter ending March 31,2016	: On or before 14 <sup>th</sup> May, 2016

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

24<sup>th</sup> September, 2015 to 30<sup>th</sup> September, 2015 (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 in - Not Allotted**

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

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

### **h) Status of Dematerialization of Shares as on 31<sup>st</sup> March, 2015.**

As on 31<sup>st</sup> March, 2015, entire Equity Shares of the Company are being held in  
physical Form by the Shareholders.

Distribution of Shareholding as on 31st March, 2015

Slab of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 500	33	58	1228	0.01
501 – 1000	-	-		
1001 - 2000	-	-		
2001 - 3000	12	21	31375	0.24
3001 - 4000	-	-		
4001 - 5000	-	-		
5001 - 10000	-	-		
10001 and above	12	21	12875056	99.75
Total :	57	100	12907659	100

**Category of Shareholders as on 31<sup>st</sup> March, 2015.**

Category	No. of Shares	% of Shareholdings
Promoters	12882556	99.81
Institutional Investors	-	-
Body Corporate	-	-
Indian Public	25103	0.19
NRI's / OCBs	-	-
Total :	12907659	100

Stock Market Data - There was no trading during the year review and thus High / Low market price data for Stock performance in comparison to broad based indices can not be made.

During the period under review, no complaint was received from the shareholders. No. share transfer were pending as on 31<sup>st</sup> March, 2015.

Registered Office : 5, Sree Charan Sarani, Bally, Howrah-711201.

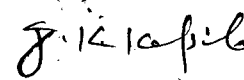
Plant Location : -do-

Address for correspondence : -do-

**DECLARATION**

I, Jitendra Kumar Kapila, director cum manager do hereby declare that pursuant to the provisions of Clause 49 of the Listing Agreement, 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.

Place : Bally  
Date:28/08/2015

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

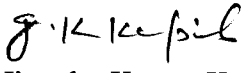
**CERTIFICATION FROM MANAGER & CFO OF THE COMPANY**

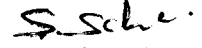
To  
The Board of Directors  
Bally Jute Company Ltd.

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 31.03.2015 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 policies 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: 28/08/2015

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

  
Satyananda Sahoo  
(Chief Financial Officer)

**PRAMOD AGARWAL & CO.**  
**Practising Company Secretaries**

**BAGRI MARKET**  
**71, CANNING STREET**  
**4<sup>TH</sup> FLOOR, ROOM NO.C459**  
**KOLKATA-700001**  
**☎ 033 4005 2098**  
**E-MAIL: pramod2677@gmail.com**

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

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

We have examined the compliance of conditions of Corporate Governance by Bally Jute Company Limited for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our 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.

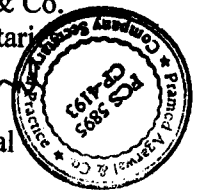
In our opinion and to the best of our information and according to explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mention Listing Agreement.

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 : 28.08.2015

For Pramod Agarwal & Co.  
Company Secretary

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



## ANNEXURE -2

<b>FORM NO. MGT 9</b>		
<b>EXTRACT OF ANNUAL RETURN</b>		
<b>as on financial year ended on 31.03.2015</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>REGISTRATION &amp; OTHER DETAILS:</b>		
<b>i</b>	<b>CIN</b>	L51909WB1982PLC035245
<b>ii</b>	<b>Registration Date</b>	04.09.1982
<b>iii</b>	<b>Name of the Company</b>	BALLY JUTE COMPANY LTD.
<b>iv</b>	<b>Category/Sub-category of the Company</b>	COMPANY LIMITED BY SHARES
<b>v</b>	<b>Address of the Registered office &amp; contact details</b>	5, SREE CHARAN SARANI, BALLY HOWRAH-711201
<b>vi</b>	<b>Whether listed company</b>	YES
<b>vii</b>	<b>Name , Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	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>			
<b>All the business activities contributing 10% or more of the total turnover of the company shall be stated</b>			
<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>					



IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)										
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<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</b>	-	12,882,556.00	12,882,556.00	99.81	-	12,882,556.00	12,882,556.00	99.81	-	-
<b>(A) = (A)(1) + (A)(2)</b>										
<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) FIIS	-	-	-	-	-	-	-	-	-	-
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	-	-

(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	AMBICA CAPITAL MARKETS LIMITED	4793073	37.13	NIL	4793073	37.13	NIL	NIL
2	ASPECTIVE TIE UP LIMITED	1746000	13.53	NIL	1746000	13.53	NIL	NIL
3	AMBICA JUTE MILLS LTD.	47542	0.37	NIL	47542	0.37	NIL	NIL
4	AUCKLAND SERVICES & SECURITIES LIMITED	266500	2.06	NIL	266500	2.06	NIL	NIL
5	ABHISHEK KUMAR KANKARIA	384792	2.98	NIL	384792	2.98	NIL	NIL
6	AWANTI KUMAR KANKARIA	384325	2.98	NIL	384325	2.98	NIL	NIL
7	GOLD VIEW FINANCIAL SERVICES LIMITED	1097533	8.50	NIL	1097533	8.50	NIL	NIL
8	KANAK TEXTILES LTD.	2500	0.02	NIL	2500	0.02	NIL	NIL
9	KSHITIZ MERCHANDISE LTD.	1686000	13.06	NIL	1686000	13.06	NIL	NIL
10	SCORE INFORMATION TECHNOLOGIES LTD.	135416	1.05	NIL	135416	1.05	NIL	NIL
11	WELLWORTH VANIJYA PRIVATE LIMITED	2500	0.02	NIL	2500	0.02	NIL	NIL
12	YOGESH KUMAR KANKARIA	445375	3.45	NIL	445375	3.45	NIL	NIL
13	SATBICHAAR VYAPAAR LTD.	1684500	13.05	NIL	1684500	13.05	NIL	NIL
14	OM TOWERS PRIVATE LIMITED	2500	0.02	NIL	2500	0.02	NIL	NIL
15	MANBIR FINCOM PVT LTD.	204000	1.58	NIL	204000	1.58	NIL	NIL
	<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		
	No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	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)			
	At the end of the year			
	NO CHANGE DURING THE YEAR			

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)						
Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of		Shareholding at the end of the year		Cumulative Shareholding during the
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No of shares % of total shares of the company
1	BIMAL SINGH RAMPURIA	2875	0.02	2875	0.02	NIL
2	SUNIL KUMAR JAIN	2875	0.02	2875	0.02	NIL
3	PRAKASH KUMAR BOTHRA	2750	0.02	2750	0.02	NIL
4	PRAVIN KUMAR JAIN	2500	0.02	2500	0.02	NIL
5	NILAM CHHAJED	2500	0.02	2500	0.02	NIL
6	NEERJA SRIMAL	2500	0.02	2500	0.02	NIL
7	RABINDRA SRIMAL	2500	0.02	2500	0.02	NIL
8	S. DAGA	2500	0.02	2500	0.02	NIL
9	SAMIR KUMAR CHATTERJEE	68	0	68	0	NIL
10	GULAB CHAND SINGHI	67	0	67	0	NIL

(V) Shareholding of Directors & KMP				
Sl. No	For Each of the Directors & KMP	Shareholding at the end of the		Cumulative Shareholding during the
		No. of shares	% of total shares of the company	No of shares % of total shares of the company
	At the beginning of the year	NIL	NIL	NIL
	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)	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL

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
Indebtness at the beginning of the financial year				
i) Principal Amount	2,177.27	800.00	-	2,977.27
ii) Interest due but not paid	-	65.75	-	65.75
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,177.27	865.75	-	3,043.02
Change in Indebtedness during the financial year				
Additions	1,370.61	20.42	-	1,391.03
Reduction	-	-	-	-
Net Change	-	-	-	1,391.03
Indebtedness at the end of the financial year				
i) Principal Amount	3,524.52	803.00	-	4,327.52
ii) Interest due but not paid	-	83.17	-	83.17
iii) Interest accrued but not due	23.36	-	-	23.36
Total (i+ii+iii)	3,547.88	886.17	-	4,434.05

#### 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)
Gross salary		
(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
Total (A)	342000	342000
Ceiling as per the Act		

Remuneration to other directors:

Particulars of Remuneration	Name of the Directors		TOTAL
Independent Directors	AJIT KUMAR JAIN	PRADIP DEBNATH	
(a) Fee for attending board committee meetings	NIL		NIL
(b) Commission	NIL	NIL	NIL
(c) Others, please specify	NIL	NIL	NIL
Total (1)	NIL	NIL	NIL
Other Non Executive Directors	SWAPAN KUMAR DEY	BINU JAIN	
(a) Fee for attending board committee meetings	NIL	NIL	NIL
(b) Commission	NIL	NIL	NIL
(c) Others, please specify	NIL	NIL	NIL
Total (2)	NIL	NIL	NIL
Total (B)=(1+2)	NIL	NIL	NIL
Total Managerial Remuneration	NIL	NIL	NIL
Overall Ceiling as per the Act.	NIL	NIL	NIL

#### REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Particulars of Remuneration	Key Managerial Personnel		Total
Gross Salary	Company Secretary	CFO	
NAME	SANJAY KUMAR AGARWAL	SATYANANDA SAHOO	
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1044900	507780	1552680
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	340332	171744	512076
(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
Total	1385232	679524	2064756

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

Total energy consumption and energy consumption per unit of production as per form A.

	<b>2014-15</b>	<b>2013-14</b>
	<b><u>Rs.</u></b>	<b><u>Rs.</u></b>
<b><u>POWER &amp; FUEL CONSUMPTION :</u></b>		
<b><u>ELECTRICITY</u></b>		
A) Purchased Units [in hundred]	142,623	143,062
Total Amount [Rs. in thousand]	111,710	99,747
Rate / Unit [Rupees]	7.83	6.97
B) Own Generation :		
Through Diesel Generator Unit [in hundred]	49	113

Unit per Litre of Diesel	2.08	2.41
Cost /Unit [Rupees]	27.49	21.88

#### **COAL:**

[Coal is used for generation of Steam in boiler]

Quantity [Tonnes]	5.18	2.70
Total Cost [Rs. in thousand]	52.40	24.17
Average Rate [Rupees]	10.11	8.96

#### **CONSUMPTION PER UNIT OF PRODUCTION :**

Production : Jute Goods [Tonnes]	28305	28292
Electricity Unit per M.T	504	505
Coal per M. Ton of Production	0.001	0.009

#### **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 16,68,85,356
Outgo	Rs 23,52,124

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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.

5, Sree Charan Sarani, Bally, Howrah-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 the BALLY JUTE COMPANY LIMITED '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 31.03.2015 generally 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 BALLY JUTE COMPANY LIMITED ("the Company") for the financial year ended on 31.03.2015 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;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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. **Not Applicable;**
- (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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **Not Applicable;**
  - (e) The Securities and Exchange Board of India ( Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable;**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. **Not Applicable;**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **Not Applicable;**

(vi) The Other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry are

- a) Professional Tax Act
- b) The Employees Provident Funds and Miscellaneous Provisions Act'1952
- c) Trade Licence.
- d) Factories Act'1948
- e) Industrial Disputes Act 1947
- f) Gratuity Act 1972
- g) ESI Act 1948
- h) Bonus Act 1965
- i) Pollution Control Act'

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India **Not Applicable for the financial year 2015.**

(ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Association Limited.

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**

The Board of Directors of the Company is duly constituted with proper balance of Executive Director (one) and Non-Executive Directors. On 28/03/2015 The Company has appointed a woman Director and there are two independent Directors out of total no. of Directors Four. 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.

All decisions at the Board Meetings are carried out unanimously as recorded in the Minutes of the Meeting of the Board of Directors.

**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.

Place Kolkata  
Date : 28/08/2015

  
Name of Company Secretary in practice- **Mukesh Chaturvedi**  
ACS No.10213  
C P No.: 3390



# *R. Kothari & Company*

CHARTERED ACCOUNTANTS  
MUMBAI, KOLKATA, NEW DELHI

## INDEPENDENT AUDITOR'S 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 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, 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 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 provision of the Act and the Rules made thereunder.



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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. 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. A Point 22(H) of Statement of Significant Accounting Policies regarding Gratuity provided as an expense 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 referred to in Section 211(3C) of the Act. The impact of the same in the financial statement is disclosed in Note No 25.*
- b) *Attention is invited to Note No. 29 of the Financial Statement regarding pending Confirmation from parties. Effect on profitability remains unaffected.*

#### **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 31<sup>st</sup> March, 2015;
- (b) in the case of the Statement of Profit and Loss, of the **profit** of the Company for the year ended on that date *and*
- (c) in the case of the Cash Flow Statement, of the **cash flows** of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("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 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 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditors'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 does not have any pending litigations which would impact financial position in its financial statements.
  - 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.

For. R. Kothari & Company  
Chartered Accountants  
(Firm Registration No. 307069E)

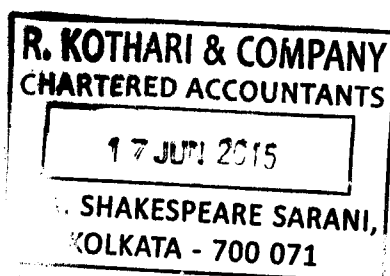


K.C. Soni  
(Partner)

(Membership No. 057620)

Place: Kolkata

Date:



**Annexure to the Auditors' Report**

The Annexure referred to in our Independent Auditors' report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2015, we report that:

- (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.
- (ii) (a) As explained to us, the inventory of finished goods and work -in- progress have been physically verified by the management as at the end of the financial year and for stocks of raw materials, for which there is a perpetual inventory system, a substantial portion of stocks has been verified during the year. In our opinion, the frequency of verification is reasonable..
- (b) In our opinion and according to the information and explanation given to us, procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventories in our opinion, discrepancies noticed physical verification of inventory were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) (a) and (b) of the Order is not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate Internal Control Procedures commensurate with the size of the Company and the nature of its business with regard to inventories and purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.



- (v) The Company has not accepted any deposits from the public and consequently, the directives issued by Reserve Bank of India and provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under is 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 records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Sales Tax, custom duty, Wealth Tax, Excise Duty, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2015 with the appropriate authorities, on account of any dispute except sales tax demand under appeal amounting to Rs. 8,22,58,577.
- (c) The Company doesn't require to transfer any amount to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder.
- (viii) The Company does not have any accumulated losses at the end of the financial year and have not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to its financial institutions and banks.
- (x) According to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loan taken by others from bank are not prejudicial to the interest of the Company.



- (xi) In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For. R. Kothari & Company  
Chartered Accountants  
(Firm Registration No. 307069E)



K.C. Soni  
(Partner)  
(Membership No. 057620)

Place: Kolkata

Date: 17.06.2015

# BALLY JUTE COMPANY LIMITED

## BALANCE SHEET AS ON 31ST MARCH 2015

(In Rs )

Particulars	Notes No	As at 31st March 2015		As at 31st March 2014	
<b>I. EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	129,076,590		129,076,590	
Reserves & Surplus	2	723,806,672	852,883,262	756,786,755	885,863,345
<b>Non-current liabilities</b>					
Long-term borrowings	3	65,000,000		80,000,000	
Deferred tax liabilities (Net)		28,551,013	93,551,013	28,964,007	108,964,007
<b>Current liabilities</b>					
Short-term borrowings	4	367,751,807		217,727,014	
Trade Payables		34,599,649		8,683,086	
Other Current liabilities	5	114,439,232		85,784,281	
Short-term provisions	6	8,282,966	525,073,654	17,089,024	329,283,405
<b>Total</b>			<b>1,471,507,929</b>		<b>1,324,110,757</b>
<b>II. ASSETS</b>					
<b>Non-current assets</b>					
<b>Fixed Assets</b>					
Tangible Assets	7	862,381,583		865,006,038	
Non-current investments	8	100,000		100,000	
Other non-current assets	9	-	862,481,583	7,814	865,113,852
<b>Current Assets</b>					
Inventories	10	435,217,267		320,464,528	
Trade receivables	11	119,574,928		69,770,340	
Cash & Bank balance	12	5,319,132		4,103,549	
Short-term loans and advances	13	35,515,798		47,141,905	
Other Current assets	14	13,399,221	609,026,346	17,516,583	458,996,905
<b>Total</b>			<b>1,471,507,929</b>		<b>1,324,110,757</b>

Significant Accounting Policies and accompanying note are integral part of these Financial Statements 1-38

As per our Report of this date annexed

For R.Kothari & Company  
Chartered Accountants

K.C.Soni



Place : Kolkata

Dated:

**R. KOTHARI & COMPANY**  
CHARTERED ACCOUNTANTS

17 JUN 2015

15A, SHAKESPEARE SAR  
KOLKATA - 700 071

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

(Satyanand Sahoo)  
Chief Financial  
Officer

FOR & ON BEHALF OF BOARD

DIRECTOR /  
MANAGER

DIRECTOR



# BALLY JUTE COMPANY LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(In Rs.)

Particulars		Notes No	For the year ended 31st March, 2015	For the year ended 31st March 2014
<b>REVENUE</b>				
I	Revenue from Operations	15	1,775,623,235	1,738,141,160
II	Other Income	16	578,299	1,799,367
III	<b>TOTAL REVENUE</b>		<b>1,776,201,534</b>	<b>1,739,940,527</b>
<b>EXPENSES</b>				
	Cost of materials consumed	17	1,041,537,313	933,344,748
	Purchase of Stock-in-trade		-	-
	Change in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(25,276,678)	71,371,907
	Employee benefits expenses	19	412,716,459	401,653,703
	Finance costs	20	47,307,125	32,856,068
	Depreciation	7	43,241,115	40,597,114
	Other expenses	21	249,904,019	243,621,398
	<b>TOTAL EXPENSES</b>		<b>1,769,429,353</b>	<b>1,723,444,938</b>
V	<b>Profit/(Loss) Before exceptional and extraordinary items and tax (III - IV)</b>		<b>6,772,181</b>	<b>16,495,589</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(Loss) Before extraordinary items and tax (V - VI)</b>		<b>6,772,181</b>	<b>16,495,589</b>
VIII	Extraordinary Items		-	-
IX	<b>Profit/(Loss) before Tax (VII - VIII)</b>		<b>6,772,181</b>	<b>16,495,589</b>
X	Tax Expense :			
	- Current Tax		2,619,477	5,663,489
	- Deferred Tax		412,994	851,346
	- Income tax for earlier years		18,901	(266,571)
			<b>2,225,384</b>	<b>4,545,572</b>
XI	<b>Profit/(Loss) for the period from continuing operations (IX - X)</b>		<b>4,546,797</b>	<b>11,950,017</b>
XII	<b>Profit/(loss) from discontinuing operations</b>			
XIII	<b>Profit for the period (XI + XII)</b>		<b>4,546,797</b>	<b>11,950,017</b>
<b>Earing per Equity Share</b>				
	Basic		0.35	0.93
	Diluted		0.35	0.93

Significant Accounting Policies and accompanying note are integral part of these Financial Statements 1-38

As per our Report of this date annexed

For R.Kothari & Company  
Chartered Accountants

K.C.Soni  
KOLKATA  
700 071

Place : Kolkata  
Dated: 17 JUN 2015

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

FOR & ON BEHALF OF BOARD  
S. Sahoo (Satyanand Sahoo) Chief Financial Officer  
J. K. Chakrabarti DIRECTOR / MANAGER  
A. Kumar DIRECTOR

17 JUN 2015  
16A, SHAKESPEARE SARAI  
KOLKATA - 700 071

# BALLY JUTE COMPANY LTD.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX	6,772,181	16,495,589
Adjustments For:		
Depreciation	43,241,115	40,597,114
Profit on Sale of Machinery	(52,250)	-
Dividend Income	(4,655)	(3,814)
Interest & Finance Charges	47,307,125	33,441,059
<b>OPERATING PROFIT /(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	97,263,516	90,529,948.00
Trade & Other Receivables	(34,061,118)	(70,726,458)
Inventories	(114,752,739)	113,864,983
Trade Payables	195,790,248	(45,545,921)
<b>CASH GENERATED FORM OPERATIONS</b>	144,239,907	88,122,552.00
Direct taxes paid	(2,638,378)	(5,396,918)
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	141,601,529	82,725,634
<b>EXTRA ORDINARY ITEMS</b>	-	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (A)</b>	141,601,529	82,725,634
<b>B. CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(78,465,746)	(48,978,585)
Proceeds from Sale of fixed assets	374,456	-
Subsidy Receipt	-	10,786,000
Dividend received	4,655	3,814
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	(78,086,635)	(38,188,771)
<b>C. CASHFLOW FROM FINANCING ACTIVITIES</b>		
Repayment & Proceeds from borrowings	(15,000,000)	(9,862,635)
Preliminary Expenses	7,814	7,814
Payment of Interest & Finance Charges	(47,307,125)	(33,441,059)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	(62,299,311)	(43,295,880)
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	1,215,583	1,240,983
Cash and Cash Equivalents as at the commencement of the year	4,103,549	2,862,566
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>	5,319,132	4,103,549

As Per Our Report of this Date Annexed.

For R.Kothari & Co.  
Chartered Accountants.

K.C.SONI  
PARTNER  
M.NO.057620



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

(Satyanand Sahoo)  
Chief Financial Officer

FOR & ON BEHALF OF BOARD

(J.K. Capil)  
DIRECTOR /  
MANAGER

(J.K. Capil)  
DIRECTOR

## BALLY JUTE COMPANY LIMITED

Notes to the Financial Statements for the year ended

(In Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>		
13,000,000 Equity Shares of Rs 10/- each	130,000,000	130,000,000
(Previous Year 13,000,000 Equity Shares of Rs 10/- each)	<b>130,000,000</b>	<b>130,000,000</b>
<b>Issued &amp; Subscribed</b>		
12,907,659 Equity Shares of Rs.10/- each	129,076,590	129,076,590
(Previous Year 12,907,659 Equity Shares of Rs 10/- each)	<b>129,076,590</b>	<b>129,076,590</b>
<b>Paid up</b>		
12,907,659 Equity Shares of Rs.10/- each	129,076,590	129,076,590
(Previous Year 12,907,659 Equity Shares of Rs 10/- each)	<b>129,076,590</b>	<b>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 are eligible to receive the remaining assets of the company after distribution of all preferential amount in proportion to their shareholding.

The paid up Share Capital includes 1431300 equity Shares of Rs. 10/- each fully paid up issued for consideration other than Cash pursuant to scheme of amalgamation approved by Hon'ble High Court Kolkata vide order dt 06/07/09.

The name of Shareholders holding more than 5% shares in the Company and their numbers are as follows:

NAME OF SHAREHOLDERS	As on 31/03/2015		As on 31/03/2014	
	No. of Shares	%	No. of Shares	%
Ambica Capital Marketing 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 Pvt. Ltd.	1,686,000	13.06	1,686,000	13.06
Satbichar Vyapaar Limited.	1,684,500	13.05	1,684,500	13.05



## RESERVES AND SURPLUS

Particulars	As at 31st March 2014	Additions/ Created during the year	Deductions during the year	As at 31st March 2015
Capital Reserve	17,076,393	-	-	17,076,393
Securities Premium Reserve	55,757,782	-	-	55,757,782
General Reserve	596,197,222	-	-	596,197,222
Surplus as per Profit & Loss Account(1)	87,755,358	4,546,797	37,526,880	54,775,275
<b>Total</b>	<b>756,786,755</b>	<b>4,546,797</b>	<b>37,526,880</b>	<b>723,806,672</b>

Notes :	2015	2014
(1) Profit for the year	4,546,797	11,950,017
	<b>4,546,797</b>	<b>11,950,017</b>

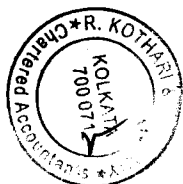
(In Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>NON-CURRENT LIABILITIES</b>		
<b>3. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Loan From Bank</b>		
-Term Loans - Canara Bank	-	9,365,586
<b>Less:</b>		
Repayable within next 12 months transferred to 'Other Current Liabilities'	-	9,365,586
	-	-
Secured against 1st Charge on the existing Plant & Machinery and EMT of Land and Factory Buildings.		
<b>Terms of repayment</b>		
Loan - I Sanctioned Rs. 900 lacs Repayable in 27 Quarterly installments of Rs. 32.00 lacs and final installment at Rs 36 lacs starting from 31/10/2007 to 31/07/2014		
Loan - II Sanctioned Rs. 632 lacs Repayable in 19 Quarterly installments of Rs.33.00 lacs and final installment at Rs 5.24 lacs starting from 31/12/2009 to 30/09/2014		
<b>Unsecured</b>		
<b>Loan from others</b>		
Inter Corporate Deposit	65,000,000	80,000,000
	<b>65,000,000</b>	<b>80,000,000</b>



(In Rs.)

Particulars	As at 31st March 2015	As at 31st March 2014
<b>CURRENT LIABILITIES</b>		
<b>4.SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Working Capital facility from Canara Bank	299,563,807	217,727,014
(i) Secured by hypothecation of Raw Materials, Work-in-progress, Finished Goods, Stores & Spares and by way of 1st charge on all the present and future Book debts, outstanding and claim and money recoverable.		
(ii) Personal Guarantee of Sri H.C.Kankaria and Sri A.K.Kankaria and Corporate Guarantee of Ambica Jute Mills Ltd.	52,888,000	-
<b>Loan from L.I.C.</b>		
(Availed against assignment of Keyman insurance policy held by the company)		
<b>Unsecured</b>		
Loan repayable on demand	15,300,000	-
From others		
	<b>367,751,807</b>	<b>217,727,014</b>
<b>5. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-term Debt - Term Loans	-	9,365,586
✓ Trade Deposits & Advances	26,346,571	4,048,500
✓ Interest accrued but not due	2,335,887	-
✓ Interest accrued and due	8,317,068	6,575,045
Sales Tax & Withholding taxes payable	1,873,940	1,482,490
Other Payable-employees	7,711,394	6,779,912
Other Payables	67,854,372	57,532,748
	<b>114,439,232</b>	<b>85,784,281</b>
<b>6. SHORT-TERM PROVISIONS</b>		
Income Tax	8,282,966	17,089,024
	<b>8,282,966</b>	<b>17,089,024</b>





# 7. FIXED ASSETS - TANGIBLE

(In Rs.)

Description	GROSS BLOCK-COST/BOOK VALUE				DEPRECIATION/AMORTISATION				NET BLOCK		
	Total as at 31st March 2014	Additions/ adjustment during the year	Deductions/ adjustments during the year	Total as at 31st March 2015	Total as at 31st March 2014	Provided during the year	Deductions/ adjustments during the year	Written back*	Total as at 31st March 2015	As at 31st March 2015	As at 31st March 2014
Land - Freehold	349,960,510	-	-	349,960,510	-	-			-	349,960,510	349,960,510
Buildings	155,912,248	1,553,846		157,466,094	47,171,078	5,076,367			52,247,445	105,218,649	108,741,170
Computer	29,080,336	29,460		29,109,796	28,533,605	107,021		(657,054)	27,983,572	1,126,224	546,731
Plant & Machinery	707,911,039	74,986,244	-	782,897,283	308,479,820	36,903,621		37,598,739	382,982,180	399,915,103	399,431,219
Vehicles	5,564,158	886,198	1,808,003	4,642,353	1,784,927	443,748	1,485,797	-	742,878	3,899,475	3,779,231
Office Equipments	2,966,182	870,120		3,836,302	778,642	621,253		555,280	1,955,175	1,881,127	2,187,540
Furniture & Fixtures	1,038,677	139,878		1,178,555	679,040	89,105		29,915	798,060	380,495	359,637
<b>TOTAL</b>	<b>1,252,433,150</b>	<b>78,465,746</b>	<b>1,808,003</b>	<b>1,329,090,893</b>	<b>387,427,112</b>	<b>43,241,115</b>	<b>1,485,797</b>	<b>37,526,880</b>	<b>466,709,310</b>	<b>862,381,583</b>	<b>865,006,038</b>
<b>Previous Year :-</b>	<b>1,214,240,565</b>	<b>48,978,585</b>	<b>10,786,000</b>	<b>1,252,433,150</b>	<b>346,829,998</b>	<b>40,597,114</b>	<b>-</b>		<b>387,427,112</b>	<b>865,006,038</b>	

\*Note : Refer note no.23.

## Notes to the Financial Statement

(In Rs.)

(In Rs.)

Particulars			As at 31st March 2015	As at 31st March 2014
<b>8. NON-CURRENT INVESTMENTS</b>				
<b>Non Trade Investment Unquoted</b>				
<b>Number</b>	<b>Face value per unit</b>	<b>Name of the Company</b>		
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>9. OTHER NON-CURRENT ASSETS</b>				
<u>Unamortized Expenses</u>				
Preliminary Expenses			7,814	15,628
Opening Balance			7,814	7,814
Less: Amortization during the year				
(To be written off in next 12 months Rs.7814/-)			-	7,814
<b>CURRENT ASSETS</b>				
<b>10. INVENTORIES (As certified by Management)</b>				
Raw Materials			247,643,452	157,913,260
Work-in-progress			43,987,211	44,308,016
Finished Goods			122,950,628	97,353,145
Stores & Spares			20,635,976	20,890,107
			<b>435,217,267</b>	<b>320,464,528</b>
<b>11. TRADE RECEIVABLES</b>				
<b>Unsecured (Considered Good)</b>				
Debts outstanding for a period exceeding six months			-	-
Other Debts			119,574,928	69,770,340
			<b>119,574,928</b>	<b>69,770,340</b>
<b>12. CASH AND BANK BALANCE</b>				
<b>CASH &amp; CASH EQUIVALENT</b>				
In Current Accounts with Schedule Bank			837,025	412,867
Cash in hand and as Imprest			1,896,257	1,464,832
<b>OTHER BANK BALANCES</b>				
Fixed Deposit as Margin Money with Bank (Maturity less than 12 months)			2,585,850	2,225,850
			<b>5,319,132</b>	<b>4,103,549</b>
<b>13. SHORT TERM LOANS AND ADVANCES</b>				
<b>(Unsecured, Considered good)</b>				
<b>Advances Recoverable in cash or kind or for value to be received</b>				
Advances to Employees ✓			8,704,801	6,410,874
Advances to Suppliers			3,665,272	2,816,380
Advances to Others			9,379,710	8,234,441
Deposits			4,713,862	9,413,862
Deposits/Balances with statutory authorities			70,630	45,395
Advance Income Tax ( Including Tax deducted at source)			8,981,523	20,220,953
			<b>35,515,798</b>	<b>47,141,905</b>
<b>14. OTHER CURRENT ASSETS</b>				
Due from Government authorities			8,396,016	11,782,712
Interest Receivable			174,567	673,977
Rent Receivable			270,000	270,000
Prepaid Expenses			4,558,638	4,789,894
			<b>13,399,221</b>	<b>17,516,583</b>



## Notes to the Financial Statement

(In Rs.)

(In Rs.)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>15. REVENUE FROM OPERATIONS</b>		
Sales of Jute Goods	1,793,135,480	1,755,797,386
Less: Cess Duty	17,512,245	17,656,226
Net Sales	<b>1,775,623,235</b>	<b>1,738,141,160</b>
<b>16. OTHER INCOME</b>		
Dividend Income	4,655	3,814
Interest Income	210,944	921,760
Rent Income	300,000	300,000
Gain (Loss) on Foreign Currency transaction	-	520,160
Miscellaneous Income	10,450	53,633
Profit on Sale of Fixed Assets	52,250	-
	<b>578,299</b>	<b>1,799,367</b>
<b>17. COST OF MATERIALS CONSUMED</b>		
Opening stock	157,913,260	199,190,102
Add :- Purchases [Net of Sales refer Note No.26]	1,131,267,505	892,067,906
Less : Closing Stock	247,643,452	157,913,260
	<b>1,041,537,313</b>	<b>933,344,748</b>
<b>18. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
Closing Stock in Progress	43,987,211	44,308,016
Closing Stock - Finished Goods	122,950,628	97,353,145
	<b>166,937,839</b>	<b>141,661,161</b>
Opening Stock in Progress	44,308,016	51,859,627
Opening Stock - Finished Goods	97,353,145	161,173,441
	<b>141,661,161</b>	<b>213,033,068</b>
(Increase)/ Decrease in Stocks	(25,276,678)	71,371,907
<b>19. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages & Allowances	369,319,207	363,113,725
Contribution to Provident & Other fund	40,720,363	36,634,798
Staff Welfare Expenses	2,676,889	1,905,180
	<b>412,716,459</b>	<b>401,653,703</b>





## Notes to the Financial Statement

(In Rs.)

(In Rs.)

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
<b>20. FINANCE COST</b>		
Interest Expenses	47,307,125	32,856,068
	<b>47,307,125</b>	<b>32,856,068</b>
<b>21. OTHER EXPENSES</b>		
Stores & Spares consumed	85,750,481	94,690,119
Power & Fuel	105,183,723	98,179,484
Repairs to Building	2,497,417	2,277,336
Repairs to Machinery	962,425	402,084
Insurance Premium	9,226,084	10,109,920
Rates & Taxes	1,491,152	1,084,096
Brokerage & Commission	7,881,795	5,754,319
Auditors Remuneration	286,518	286,518
Miscellaneous Expenses	36,624,424	30,837,522
	<b>249,904,019</b>	<b>243,621,398</b>



## BALLY JUTE COMPANY LIMITED.

NOTE NO.22

Notes Forming Part of the Accounts for the year ended 31st March, 2015.

### SIGNIFICANT ACCOUNTING POLICIES :

#### A. BASIS OF ACCOUNTING OF FINANCIAL STATEMENT :

The Financial statements have been prepared in accordance with historical Cost convention on going concern and on accrual basis except stated otherwise.

The Financial statement are presented in accordance with generally accepted accounting principles in India. All the assets & liabilities have been classified as current or non current as per Company's normal operating cycle and other criteria set out in revised Schedule III to Companies Act, 2013. Based on the nature of the product and the time between Revised acquisition of the assets for processing and their realization in cash and cash equivalent, the company has ascertained its operating cycle as 12 months for the purpose of current, non-current classification of assets and liabilities.

#### B. FIXED ASSETS AND DEPRECIATION :

- a. Fixed Assets of the Company have been stated at cost of acquisition, less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location and condition.
- b. Depreciation is provided on straight line method over the useful life of the assets in accordance with Schedule II of the Companies Act 2013 except for the plant and machinery. The management estimates the useful life for Plant and machinery to 25 years based upon the evaluation carried by the technical valuer,

#### C. INVENTORIES :

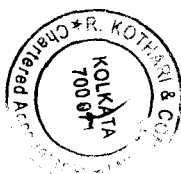
Inventory of the Company have been valued as follows:

- |    |                     |   |   |
|----|---------------------|---|---|
| a) | Raw Material        | : | At Cost .                                 |
| b) | Work In Progress    | : | 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.           |

#### D. REVENUE RECOGNITION :

##### i) Sale of Product

- a) Sales are stated at net of cess duty, sales returns and Discounts. Raw material consumed are shown net of Sale of Raw Jute and 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) FOREIGN EXCHANGE TRANSACTIONS**

Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted into Indian currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. The resultant gain or loss, except to the extent it relates to long term monetary items, is charged to the statement of Profit and Loss. Such gain or loss relating to long term monetary items for financing acquisition of depreciable capital assets, is adjusted to the acquisition cost of such assets and depreciated over its remaining useful life.

**E. GOVERNMENT GRANT**

Government Grants given for acquisition of specific fixed assets are deducted from the gross value of the relevant fixed assets on completion of the works 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.

**F. INVESTMENT :**

Investment is treated as long term investment and valued at cost.

**G. BORROWING COST:**

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



#### **H. RETIREMENT BENEFITS:**

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

#### **I. CONTINGENT LIABILITY**

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

#### **J. 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 recognized 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.

#### **Other Notes in relation to Financial Statements**

23. Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule II except in respect of certain assets as disclosed in Accounting Policy on Depreciation, Amortization & Depletion. Accordingly the unamortized carrying value is being depreciated/ amortized over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1<sup>st</sup> April, 2014 have been adjusted net of tax, in the opening balance of Profit & Loss Account amounting to Rs.3,75,26,880/-.
24. Contingent Liability not provided in respect of
  - i. Bank Guarantee given by the Company's Bankers amounting to Rs.2,67,00,347/-(Previous year 2,86,04,100/-),
  - ii. Letter of credit opened by the Company's Bankers in favour of various parties for Rs. 4,08,50,820/-(Previous year 1,50,00,000/-)
  - iii. Claim not acknowledged by the Company for sales tax demand for various financial year under appeal Rs. 8,22,58,577/-(P.Y Rs 6,13,97,316/-)
  - iv. 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. 6,27,74,878/- as on 31<sup>st</sup> March 2015. (P.Y Nil)
25. Liability of Gratuity has been determined on the basis of Actuarial valuation as per revised AS-15 as on 31.03.2015 Rs.17,56,81,883/-(P.Y. RS.18,19,46,981/-).The same will be accounted for as and when paid.



2. Auditors Remuneration consists of:

(Excluding Service Tax)

Particulars	Year 2014-15	Year 2013-14
Audit Fees	1,80,000	1,80,000
Tax Audit Fees	75,000	75,000

27. Raw Material Purchases include Purchase of Goods and directly attributable expenses amounting to Rs.2,93,74,593/-.(Previous year Rs.8,00,83,195/-).

28. Cost of Raw Material consumed is shown after adjusting sale of Raw Jute totaling to Rs.192,07,670/- (P.Y. – Rs.1,97,08,246/-) and stores & spares consumed are net of sale of scrap totaling to Rs.37,27,271/-(P.Y. – Rs.62,82,891/-).

29. (a) In the opinion of the Management, all the assets other than Fixed Assets and Non-Current Investments have a value on 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 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.

30. There are no micro, small & medium enterprises to which the company owes dues, which are outstanding for more than 45 days as on 31<sup>st</sup> March, 2015. This information as required to be disclosed under the Micro, Small & Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

31. 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.

### 32. 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.

### 33. RELATED PARTY DISCLOSURE:

Name of the Related Parties and relationship with them:

Relationship	Name of the Related Party	Nature of Transaction	Amount disclosed for 2014-15 (Rs.)
Subsidiary Company	Nil	Nil	Nil
Associate Company	Nil	NIL	Nil
Company Having Significant Influence	Bally Jute Mills Employee's Provident Fund Trust	P.F.Contribution	Rs.31,93,887/- (P.Y. 4,38,124/-)
Key Managerial Personnel	Mr. J.K.Kapila (Manager cum Director)	Remuneration	Rs. 3,42,000/- (P.Y. 3,42,000/-)
	Mr.M.R.Yagnik (President)	Remuneration	Rs.15,28,161/- (P.Y. 13,82,261/-)



### 34. 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.

	2015	2014
Nominal Value per share (RS.)	10	10
Profit after Taxation (RS.)	45,46,797	1,19,50,017
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.)	0.35	0.93
Diluted Earning per Share (RS.)	0.35	0.93

### 35. DEFERRED TAXATION :

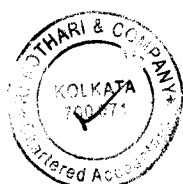
In view of Accounting Standards 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India Deferred tax Assets for the year amounting to Rs.4,12,994/-(P.Y 8,51,346) has been recognized in the Statement of Profit & Loss .

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

	2015	2014
Opening Balance of Deferred Tax Assets/(Liabilities)	(2,89,64,007)	(2,98,15,353)
Add/Less : Deferred Tax Assets/(Liability) on account of Depreciation	4,12,994	8,51,346
Closing Balance Deferred Tax Assets/ (Liability)	(2,85,51,013)	(2,89,64,007)

### 36. QUANTITATIVE DETAILS

Sl. No.	Particulars	Value (RS.) 2015	%	Value (RS.) 2014	%
i.	Value of Imported and Indigenous Raw Material & Stores (including Components & Spare Parts) consumed				
	<b>Raw Material :</b>				
	Imported	--	--	---	--
	Indigenous	1,041,537,313	100%	933,344,748	100%
	<b>TOTAL</b>	<b>1,041,537,313</b>	<b>100%</b>	<b>933,344,748</b>	<b>100%</b>



	<b>Stores:</b>				
	Imported	-	-	-	-
	Indigenous	85,750,481	100%	94,690,119	100%
	<b>TOTAL</b>	<b>85,750,481</b>	<b>100%</b>	<b>94,690,119</b>	<b>100%</b>
ii	<b>Earning in Foreign Currency</b>				
	Export of goods calculated on F.O.B. Basis	16,68,85,356	-	13,71,53,294	-
iii	<b>Expenditure in Foreign Currency</b>				
	Import of Raw Jute	-	-	-	-
	Traveling Expenses	23,52,124	-	25,05,346	-

37. Figures are rounded off to the nearest Rupee.

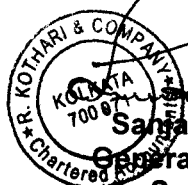
38. Previous year figures have been rearranged and regrouped wherever consider necessary to conform with this year's classification.

**FOR R.KOTHARI & COMPANY**

**Chartered Accountants**

**F.R.N. : 307069E**

**K.C.SONI**  
Partner



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

**FOR & ON BEHALF OF BOARD**

**S. Sahu**  
**Satyanand Sahoo**  
Chief Financial  
Officer

**J. K. Saha**  
**DIRECTOR /**  
**MANAGER**

**Ajit Kumar**  
**Jain**  
**DIRECTOR**

**M.NO.057620**

**Place : Kolkata**

**Dated :**

