

Bally Jute Company Limited

***Annual Reports
With
Accounts***

2015-16

BALLY JUTE COMPANY LIMITED

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

Bally Jute Company Limited

DIRECTORS REPORT FOR THE FINANCIAL YEAR 2015-2016

To,
The Members,

Your directors have pleasure in presenting their 34th Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March 2016.

FINANCIAL HIGHLIGHTS

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

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Turnover	23450.11	17756.23
Profit before finance charges, Tax, Depreciation/Amortization	1240.09	973.20
Less: finance Charges	553.62	473.07
Profit before Tax, Depreciation/Amortization	686.47	500.13
Less: Depreciation	483.13	432.41
Net Profit before Taxation	203.34	67.72
Provision for Taxation	67.65	22.25
Profit/(Loss) after tax	135.69	45.47
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 2015-16 under review, your company has achieved sales of Rs. 234.50 crores and profit before tax of Rs. 203 lacs vis-à-vis sales of Rs. 177.56 crore and profit before tax of Rs. 67 lacs in the corresponding previous year 2014-15 largely on account of consistent government orders. It was a year of unprecedented high raw jute costs due to scarcity of raw material but the company achieved export sales of Rs.31.36 crores (FOB) vis-à-vis Rs. 16.68 crores during 2014-15. Moreover, the industry outlook is better with favorable monsoon fostering steady raw material prices and higher government demand for meeting the packaging needs.

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, 2016.

CORPORATE GOVERNANCE

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

Bally Jute Company Limited

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

Fourteen Meetings of the Board were held during the financial year ended on 31.03.2016. For details of the meeting of the Board, please refer to the Corporate governance report, which forms the part of this report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

The particulars of loan, investments and guarantees have been disclosed in the financial statements for the year ended 31st March 2016.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

The Company has not entered into any transaction with related parties during the year as referred to in Section 188(1) of the Companies Act 2013. Disclosures as required under Accounting Standard 18 have been disclosed in the financial statements for the year ended 31st March 2016. Since the Company has not extended any loan or advance to its associates, holding or firms/ Companies in which director are interested, no disclosure is required as per point A(2) to Schedule V to the SEBI (LODR) Regulations, 2015.

AUDITORS' REPORT

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

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

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

RISK MANAGEMENT POLICY

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

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

DIRECTORS

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

Mrs. Nibedita Majumder, (holding DIN-07168214), who retires by rotation, and being eligible, offer herself for re-appointment.

KEY MANAGERIAL PERSONNEL

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

DEPOSITS

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

DECLARATION BY INDEPENDENT DIRECTOR

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act 2013. In the opinion of the Board, they fulfil the conditions of independence as

Bally Jute Company Limited

specified in the act and the rules there under and are independent of the management.

SECRETARIAL AUDIT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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

AUDIT COMMITTEE

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

FAMILIARIZATION PROGRAMMES FOR BOARD MEMBERS

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

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

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

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

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

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

REMUNERATION POLICY

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

DISCLOSURE ON ESTABLISHMENT OF VIGIL MECHANISM

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

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.

Bally Jute Company Limited

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

The Company has not received any complaint of sexual harassment during financial year 2015-2016.

STATUTORY AUDITORS

Pursuant to the provisions of section 139 read with section 141 of the Act and Rules made there under M/s R.Kothari & Co. was appointed as the statutory auditors of the Company for a period of three financial years starting from FY 2014-15 to FY 2016-17, subject to ratification by shareholders at every Annual General Meeting, at a remuneration and on the terms and conditions as shall be fixed by the Board of Directors. The Board recommends ratifying the tenure of M/s R.Kothari & Co., Chartered Accountants as statutory auditors of the Company from the conclusion of this AGM until the Conclusion of the next AGM.

COST AUDITORS

The Board of Directors has appointed M/s B.G Chowdhury & Co., Cost Accountants, as cost Auditors for conducting audit of cost accounts maintained by the company for the current financial year ending on 31.03.17 in respect of Jute and fixed their remuneration based on the recommendation of the Audit Committee. The remuneration payable to Cost Auditors is subject to ratification by shareholders in the ensuing Annual general meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT

The central government has continued with 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 30th June 2016. We are hopeful that the said reservation percentage order under JPMA is likely to be extended further until June 30 2017 as per recommendation of Standing Advisory Committee considering the role played by the jute sector in the livelihood of farmers and workers.

The jute industry had experienced all time high raw jute prices during the year under review due to short crop of raw jute on account of unfavourable climatic conditions coupled with ban on export of raw jute imposed by Bangladesh. However, the jute commissioner has been taking pro-active measures including stipulation of stock limits on holding of raw jute and further taken effective steps to obviate such situations in the larger interest of jute industry.

The Central Government repealed and replaced the Jute and Jute Textiles Control Order 2000 with Jute and Jute Textiles Control order of 4th February 2016. The Jute Commissioner in view of the CCEA decision has formulated a new mechanism for allocation of production control orders considering other factors in addition to present criterion of installed capacity and have further taken effective steps for streamlining the process of production control orders and supply orders in line with central government decision. 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. The Central Government assistance for upgradation and modernisation of existing machinery to promote jute diversified products would help boost market of jute goods. The central government is consistently following the prevailing policy for jute sector considering the livelihood of workers and farmers associated with the jute sector.

ii. THREATS/ RISK AND CONCERNS

- a. Jute goods market is competitive and faces tough competition from Bangladesh in export markets owing to cost advantages and export subsidies. However, in order to overcome said risk sincere efforts are being made to cut costs at all levels and improve efficiency in addition to steps taken by the Indian Jute Mills Association for imposition of anti dumping duty on imports of jute goods.

Bally Jute Company Limited

- b. The Compulsory packaging order issued by government of India under JPM Act 1987 for compulsory packaging of prescribed percentage of food grains and sugar in jute packaging material is a function of government policy and procedures. However, the support under JPM Act to the jute industry has been continuing from years.
- c. Risk of favoured alternative packaging material like HDPE / Polypropylene due to cost consideration exists over jute packaging material but the harmful impact on environment and ecological concerns helps jute products vis-à-vis alternatives.
- d. The raw jute being an agro- product is dependent on vagaries of monsoon in India. However, timely government intervention helps to overcome shortage in case of emergency situation. Moreover, proper advance procurement planning of raw jute helps 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 sowing of new raw jute crop for the jute year 2016-17 has increased considerably over last year and with normal monsoon and further favourable weather forecasts the crop size is expected to be excellent thereby paving way for lower raw material cost aiding better finished goods market. The outlook of industry is bright owing to jute being a natural fibre with bio-degradable characteristics. 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:

Particulars	2015-2016	2014-2015
Revenue from Operations (Net)	23450.11	17756.23
Cost of Material Consumed	14946.32	10415.37
Finance Cost	553.62	473.07
Profit After Tax	135.69	45.47
Inventory	6430.95	4352.17

Bally Jute Company Limited

G. HUMAN RESOURCES

The industrial Relations of the production unit of the Company during the financial year 2015-2016 were peaceful and harmonious. Supervisory Development programs on productivity, safety, cost control, communications and human relations are being carried out as a matter of routine. With high level of Commitment and loyalty by staff members, the Company is confident to face the challenges of competitive market conditions.

H. CAUTIONARY STATEMENT

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2016, 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, 2016 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

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

Place-Bally

Date – 26.08.2016

For and on behalf of the Board of Directors

**Jitendra Kumar Kapila
(Chairman)
(00320521)**

REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

2. BOARD OF DIRECTOR :

a) Composition of the Board

As on 31st March, 2016, the Board of Directors had four members comprising of two Independent Director, a director cum manager and a woman Non-Executive Director. The Chairman of the Board is a director cum manager.

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

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

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

b) Attendance of Directors at Board Meetings and last Annual General Meeting along with no. of other Directorship(s) and other Board Committee chairmanship(s)/ Membership(s) held as on 31st March 2016.

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	1	-
Mr. Ajit Kumar Jain	Independent & Non Executive	4	4	4
Mr Pradip Debnath	Independent & Non Executive	-	2	-
Mrs. Binu Jain*	Non Executive Director	3	-	-
Mrs. Nibedita Majumder **	Non Executive Director	-	1	-

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

* resigned on 04/05/2015

**appointed on 04/05/2015

Bally Jute Company Limited

During the year fourteen Board meetings were held on 30th April '2015, 4th May '2015, 11th May '2015, 12th June '2015, 17th June '2015, 6th July, 2015, 31st July '2015, 21st August 2015, 28th August 2015, 31st October '2015, 30th January '2016, 6th February '2016, 25th February 2016, 25th March '2016.

N a m e	No. of Board Meeting Attended	Attendance at last AGM held on
Mr. Jitendra Kumar Kapila	13	Present
Mr. Ajit Kumar Jain	14	Present
Mr Pradip Debnath	14	Present
Mrs. Binu Jain*	2	Absent
Mrs. Nibedita Majumder **	12	Present

* resigned on 04/05/2015

**appointed on 04/05/2015

c) Disclosure of relationships between directors inter-se

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

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

None of the directors holds any shares in the Company.

e) Weblink for familiarisation programmes imparted to independent director is disclosed

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

3. AUDIT COMMITTEE

a) Terms of Reference

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

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

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

Bally Jute Company Limited

b) Composition, Name of Members and Chairman,

The composition of the Audit Committee is given below:

Name & Designation	Category	Number of Meeting Attended
Mr. Ajit Kumar Jain, (Chairman)	Independent Director	6
Mr. Pradip Debnath, (Member)	Independent Director	6
Mrs. Binu Jain*	Non Executive Director	1
Mrs. Nibedita Majumder (Member) **	Non Executive Director	5

* resigned on 04/05/2015

**appointed on 04/05/2015

c) MEETINGS

During the year six Audit Committee meetings were held on 25th April 2015, 10th June 2015, 28th July 2015, 25th August 2015, 28th October 2015, 20th January 2016.

4. NOMINATION AND REMUNERATION COMMITTEE

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

a) Terms of Reference

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

b) Composition, Name of Members and Chairman

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

Name & Designation	Category	Number of Meeting Attended
Mr. Ajit Kumar Jain, (Chairman)	Independent Director	2
Mr. Pradip Debnath, (Member)	Independent Director	2
Mrs. Binu Jain (Member) *	Non Executive Director	1
Mrs. Nibedita Majumder (Member)**	Non Executive Director	1

* resigned on 04/05/2015

**appointed on 04/05/2015

Bally Jute Company Limited

c) MEETINGS

During the year two Nomination and Remuneration Committee meetings were held on 2nd May 2015 and 22nd August 2015.

d) PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

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

5. REMUNERATION TO DIRECTORS

a) Remuneration Policy

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

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

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

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

b) Details of Remuneration to Directors

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

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

6. STAKE HOLDERS RELATIONSHIP COMMITTEE

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

The members and chairman of the committee are:-

Mr Ajit Kumar Jain (chairman)

Mr Jitendra Kumar Kapila (member)

Mr. Pradib Debnath (member)

The Committee met four times during the year under report on 10th May 2015, 14th July 2015, 11th November 2015 and 31st March 2016.

Bally Jute Company Limited

b) Name and designation of compliance officer

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

c) Investors complaints

No complaints were received from the Investors/Share holders.

7. FINANCE COMMITTEE

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

Mr Ajit Kumar Jain (chairman)

Mr Jitendra Kumar Kapila (member)

The Committee met four times during the year under report on 09/05/2015, 18/08/2015, 18/11/2015, 16/02/2016

8. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time	Special Resolution
2012-13	Sree Charan Sarani Bally, Howrah	30.09.2013	11.30 A.M	None
2013-14	-do-	29.09.2014	11.30 A.M	2
2014-15	- do-	30.09.2015	10.00 A.M	None

a) POSTAL BALLOT

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

9. CODE OF CONDUCT :

The Board has laid down a Code of Conduct for all the Board Members and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed compliance with the Code for 2014-15. A declaration to this effect duly signed by manager forms part of this Annual Report.

10. MEANS OF COMMUNICATION

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

Bally Jute Company Limited

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

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

11. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

34th Annual General Meeting will be held on 30th September '2016 at 10.00 A.M.. at its Registered Office at 5, Sree Charan Sarani, Bally, Howrah – 711 201

b) Financial Calendar (2016-2017): (tentative)

Quarter ending June 30,2016	: 10th August, 2016
Quarter ending September 30,2016	: On or before 14th November, 2016
Quarter ending December 31,2016	: On or before 14th February , 2017
Quarter ending March 31,2017	: On or before 14th May, 2017

c) Date of Book Closing :

24th September, 2016 to 30th September, 2016 (both day inclusive)

d) Dividend

The board has not recommended any dividend on Equity shares.

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

f) Demat ISIN - Not Allotted

g) Registrar and Share Transfer Agent :

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

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

As on 31st March, 2016, entire Equity Shares of the Company are being held in physical Form by the Shareholders.

i) Distribution of Shareholding as on 31st March, 2016

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

j) Category of Shareholders as on 31st March, 2016.

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

- k) **Stock Market Data** - There was no trading during the year under review and thus High / Low market price data for Stock performance in comparison to broad based indices can not be made.
- l) **Share Transfer System** -During the period under review, no complaint was received from the shareholders. No share transfer were pending as on 31st March, 2016.
- m) **Registered Office** : 5, Sree Charan Sarani, Bally, Howrah-711201.
- n) **Plant Location** : -do-
- o) **Address for correspondence** : -do-

12. Other Disclosures

- a) There are no materially significant related party transaction between the Company and its promoters, directors or their relatives etc. that may have potential conflict with the interests of Company at large. Disclosures as required under AS-18 have been made in Note 33 to the financial statements for the year ended 31st March, 2016. Policy on related party transactions and other policies and code of conduct adopted by the Board are displayed on the website of the Company (www.ballyjute.com).
- b) **Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets during the last three years** : The Company failed to obtain authentication of SEBI Complaints Redressal System (SCORES) within the stipulated time period for which Adjudication Order was passed imposing a penalty of Rs. 2,00,000 (Two Lakhs). Following the adjudication order the penalty was paid.
- c) **Disclosure of compliance with mandatory and non-mandatory corporate governance requirements:**

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

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

Bally Jute Company Limited

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

I, Jitendra Kumar Kapila, director cum manager do hereby declare to the best of my knowledge and belief, that all the members of the Board and Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2016.

Place : Bally
Date:26/08/2016

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 31.03.2016 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulation.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls for financial reporting and that we had evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and had disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- e) We had indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting polices during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Place : Bally
Date:26/08/2016

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

Satyananda Sahoo
(Chief Financial Officer)

Bally Jute Company Limited

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, 2016, as stipulated in Regulations 17 to 27 and Clauses (b) to (l) Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In 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 mentioned SEBI (LODR) Regulations, 2015 / Listing Agreements to the extent applicable to the Company during the year under report.

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

For Pramod Agarwal & Co.
Company Secretaries

Place: Kolkata
Date : 26.08.2016

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

Bally Jute Company Limited

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

Bally Jute Company Limited

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		
A. Promoters										
(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	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	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...	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	12,882,556.00	12,882,556.00	99.81	-	12,882,556.00	12,882,556.00	99.81	-	-
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
C) Cenntal govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):										
(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)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	25,103.00	25,103.00	0.19	-	25,103.00	25,103.00	0.19	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	25,103.00	25,103.00	0.19	-	25,103.00	25,103.00	0.19	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	12,907,659	12,907,659	100.00	-	12,907,659	12,907,659	100.00	-	-

Bally Jute Company Limited

(ii) SHARE HOLDING OF PROMOTERS									
Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year	
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares		
1	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	286500	2.06	NIL	286500	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	WELL WORTH VANUJA 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	
	TOTAL	12,882,556	99.80		12,882,556	99.80			

(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)	NO CHANGE DURING THE YEAR				
	At the end of the year					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)						
Sl. No.		Reason	Share holding at the beginning of		Cumulative Share	
			No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	For each of top 10 Shareholders	Date				
1	BIMAL SINGH RAMPURIA					
	At the beginning of the year		2875	0.02	2875	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0		
	At the end of the year				2875	0.02
2	PARTHO MUKHERJEE					
	At the beginning of the year		0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Bought	2875	0.02	2875	0.02
		06.07.2015				
	At the end of the year				2875	0.02

Bally Jute Company Limited

3	DEBAJIT TALUKDAR					
	At the beginning of the year		0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Bought 06.07.2016	2875	0.02	2875	0.02
	At the end of the year				2875	0.02
4	PRAKASH KUMAR BOTHRA					
	At the beginning of the year		2750	0.02	2750	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	0	0
	At the end of the year				2750	0.02
5	SUSANTA DHAR					
	At the beginning of the year		0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Bought 06.07.15	2500	0.02	2500	0.02
	At the end of the year				2500	0.02
6	NEERJA SRIMAL					
	At the beginning of the year		2500	0.02	2500	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	2500	0.02
	At the end of the year				2500	0.02
7	PRAVIN KUMAR JAIN					
	At the beginning of the year		2500	0.02	2500	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	2500	0.02
	At the end of the year				2500	0.02
8	RABINDRA SRIMAL					
	At the beginning of the year		2500	0.02	2500	0.02
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	2500	0.02
	At the end of the year				2500	0.02
9	PARMANAND TIWARI					
	At the beginning of the year		0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Bought 06.07.15	2500	0.02	2500	0.02
	At the end of the year				2500	0.02
10	BIMAL SINGH RAMPURIA					
	At the beginning of the year		638	0	638	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	638	0

Bally Jute Company Limited

(v) Shareholding of Directors & KMP						
Sl. No			Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Ajit Kumar Jain					
	At the beginning of the year		38	0	38	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		NIL	NIL	38	0
	At the end of the year		NIL	NIL	38	0

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	3,524.52	803.00	-	4,327.52
ii) Interest due but not paid	23.36	83.17	-	106.53
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,547.88	886.17	-	4,434.05
Change in Indebtedness during the financial year				
Additions	-	796.76	-	796.76
Reduction	47.79		-	47.79
Net Change	-	-	-	748.97
Indebtedness at the end of the financial year				
i) Principal Amount	3,400.38	1,600.00	-	5,000.38
ii) Interest due but not paid	99.71	82.93	-	182.64
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	3,500.09	1,682.93	-	5,183.02

Bally Jute Company Limited

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
	AJIT KUMAR JAIN	PRADIP DEBNATH	
Independent Directors			
(a) Fee for attending board committee meetings	14000	14000	28000
(b) Commission	NIL	NIL	NIL
(c) Others, please specify	NIL	NIL	NIL
Total (1)	14000	14000	28000
Other Non Executive Directors	NIBEDITA MAJUMDER		
(a) Fee for attending board committee meetings	12000		12000
(b) Commission	NIL		NIL
(c) Others, please specify.	NIL		NIL
Total (2)	12000		12000
Total (B)=(1+2)			40000
Total Managerial Remuneration			
Overall Ceiling as per the Act.			

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

Particulars of Remuneration	Key Managerial Personnel		Total
	Company Secretary	CFO	
Gross Salary			
NAME	SANJAY KUMAR AGARWAL	SATYANANDA SAHOO	
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	1158300	570180	1728480
(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	300600	189370	489970
(c) Profits in lieu of salary under section 17(3) of	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	1458900	759550	2218450

VII					
PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES					
Type	Section of the Companies Act 2013	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
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 lighting during day time and gradually inducting safelux system to get the factory system illuminated.
- iii. Capital Investment on Energy Conservation Equipment:** The Company has been making investment on continuous basis for the purpose of energy conservation.

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS /OUTGO

Earnings	Rs 31,36,03,494
Outgo	Rs 26,39,53,439

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2016

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

To,

The Members,

BALLY JUTE COMPANY LIMITED (CIN : L51909WB1982PLC035245)

5, Sree Charan Sarani,

Bally, Howrah-711201

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

Based on my verification of **BALLY JUTE COMPANY LIMITED** (the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (N/A)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (N/A)
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (b) The Securities and Exchange Board of India (Register to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (N/A)
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations 2009; (N/A)
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (N/A)
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities)) Regulations, 2008; (N/A)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (N/A)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (N/A)
- (vi) Other Acts - As per the information provided by the company, its offer and authorized representative there is no such other act/s applicable specifically to the Company.

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

Bally Jute Company Limited

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

- Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards 1 and 2 are effective from, July, 2015, so compliances are done accordingly).
- The Listing Agreements entered into by the Company with Calcutta Stock Exchange Association Limited.
- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Effective from 1st December, 2015)

To the best of my understanding, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

I further report that based on the information provided by the company, its officers and its authorised representative during the conduct of the audit, and also on the review of the Quarterly compliance report by the respective department heads/Company Secretary/CEO taken on record by the Board of Directors of the Company, in my opinion, adequate system and processes and control mechanism exist in the company to monitor and to ensure the compliance with applicable general laws such as labour laws, Factories Act, 1948, Industrial Disputes Act, 1947, The Payment of Wages Act, 1936 and Environmental Laws.

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

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

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

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


I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the company is suspended from the Calcutta Stock Exchange Ltd. for non compliances of Listing Agreement. Now the Company has made all the Compliances and the revocation process of the same is in progress. Further a penalty of Rs. 200,000 (Two Lakhs only) was imposed on the Company on its failure to submit the information for obtaining authentication of SEBI Complaints Redressal System (SCORES) within the stipulated time period. Following the Adjudication Order the penalty was paid. Apart from this, the company has no such other specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

This report is to be read with our letter of even date which is "Annexed-A" and forms an integral part of this report.

Place : Kolkata
Signature :
Date : 26/08/2016

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


(Prop. Rakesh Agarwal)
FCS No. : 8792
C P No. : 9014

Bally Jute Company Limited

“ANNEXURE - A” to the Secretarial Audit Report

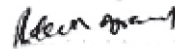
To,
The Members,
BALLY JUTE COMPANY LIMITED (CIN : L51909WB1982PLC035245)
5, Sree Charan Sarani,
Bally, Howrah
Pin-711201

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

- Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the Audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Rajesh Agarwal & Co.



(Prop. Rakesh Agarwal)
FCS No. : 8792
C P No. : 9014

Place : Kolkata
Date : 26/08/2016

Bally Jute Company Limited

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S BALLY JUTE COMPANY LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the period ended 31st March, 2016 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 provisions of the Act and the Rules made there under.

We Conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion

- a) Attention is invited to Note No. 1 Point (XI) of Statement of Significant Accounting Policies regarding Gratuity provided as an expenses in the Statement of Profit and Loss for the year in which the payment for the same has been made, which constitutes a departure from the Accounting Standard 15 - "Employee Benefits" including disclosure requirement under the said standard. The impact of the same in the financial statement is disclosed in Note No 25.
- b) Attention is invited to Note No. 29(b) of the Financial Statement regarding pending Confirmation from parties. Effect on profitability remains unaffected.
- c) Attention is invited to Note No. 23 of the Financial Statement regarding non inclusion of cess duty in the valuation of closing stock of finished goods amounting to Rs. 25,76,812 which has no impact on profitability for period under review but consequential impact on inventory of finished goods as well as provision of cess duty.

Bally Jute Company Limited

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion paragraph above**, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (a) in the case of the Balance Sheet, of the **state of affairs** of the Company as at 31st March, 2016;
- (b) in the case of the Statement of Profit and Loss, of the **profit** of the Company for the year ended 31st March 2016. **and**
- (c) in the case of the Cash Flow Statement, of the **cash flows** of the Company for the year ended 31st March 2016.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of section 143 of the Act, we give in the Annexure - A a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013 we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) **Except for the effects of the matter described in the Basis for Qualified Opinion paragraph**, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) **Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above**, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has pending litigations which would impact on financial position in its financial statements refer Note No: 24 of financial statement;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

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

K.C.Soni
Partner
Membership No. 057620

Place: Kolkata
Date : 28th June, 2016

Bally Jute Company Limited

Annexure-A to the Independent Auditor's Report (referred to in our report of even date)

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed Assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (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, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has neither granted any loan nor made any investment under section 185 and 186 of Companies Act, 2013. Thus paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records for determining whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanations given to us, there are no dues of service tax, duty of customs, duty of excise outstanding on account of any dispute except Central Sales Tax and West Bengal Value Added Tax demand disputed in appeal amounting to Rs. 6,56,06,965 as below :
 - i) In respect of WB VAT for the Financial Year 2005-06 and 2010-11 amounting to Rs. 3,51,69,511/-.
 - ii) In respect of CST for the Financial Year 2008-09 to 2012-13 amounting to Rs. 3,04,37,454/-.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

Bally Jute Company Limited

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

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

K.C.Soni
Partner
Membership No. 057620

Place: Kolkata
Date : 28th June, 2016

Bally Jute Company Limited

Annexure - B to the Independent Auditors' Report

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

We have audited internal financial controls over financial reporting of M/S BALLY JUTE COMPANY LIMITED ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Kolkata
Date : 28th June, 2016

Bally Jute Company Limited

BALANCE SHEET AS ON 31st MARCH, 2016

(In Rs.)

Particulars	Notes No.	As at 31st March, 2016		As at 31st March, 2015	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
Shareholders' Funds :					
Share Capital	2	129,076,590		129,076,590	
Reserves & Surplus	3	737,375,667	866,452,257	723,806,672	852,883,262
Non-current liabilities					
Long-term borrowings	4	160,000,000		65,000,000	
Deferred tax liabilities (Net)		26,747,084	186,747,084	28,551,013	93,551,013
Current liabilities					
Short-term borrowings	5	340,038,202		367,751,807	
Trade Payables		213,359,452		34,599,649	
Other Current liabilities	6	102,996,257		114,439,232	
Short-term provisions	7	16,852,461	673,246,372	8,282,966	525,073,654
Total			1,726,445,714		1,471,507,929
II. ASSETS					
Non-current assets :					
Fixed Assets					
Tangible Assets	8	829,773,658		862,381,583	
Non-current investments	9	100,000		100,000	
Other non-current assets	10	--	829,873,658	--	862,481,583
Current Assets					
Inventories	11	643,095,107		435,217,267	
Trade receivables	12	175,132,283		119,574,928	
Cash & Bank balance	13	6,384,932		5,319,132	
Short-term loans and advances	14	57,332,862		35,515,798	
Other Current assets	15	14,626,872	896,572,056	13,399,221	609,026,346
Total			1,726,445,714		1,471,507,929

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

As per our Report this date annexed

For R. Kothari & Company

Chartered Accountants

K.C Soni

M. No. 057620

Place : Kolkata

Dated : 28th June, 2016

FOR & ON BEHALF OF BOARD

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

Satyananda Sahoo
Chief Financial
Officer

J.K.Kapila
Director/Manager

A.K.Jain
Director

Bally Jute Company Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2016

(In Rs.)

	Particulars	Notes No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	REVENUE			
I	Revenue from Operations	16	2,345,010,923	1,775,623,235
II	Other Income	17	1,003,424	578,299
III	TOTAL REVENUE		2,346,014,347	1,776,201,534
IV	EXPENSES			
	Cost of Materials Consumed	18	1,494,631,714	1,041,537,313
	Purchase of Stock-in-trade		115,553,536	--
	Change in inventories of finished goods, Work-in-progress and Stock-in-Trade	19	(172,778,618)	(25,276,678)
	Employee benefits expenses	20	457,791,072	412,716,459
	Finance cost	21	55,361,672	47,329,705
	Depreciation	8	48,313,388	43,241,115
	Other expenses	22	326,807,021	249,881,439
	TOTAL EXPENSES		2,325,679,785	1,769,429,353
V	Profit/(Loss) Before exceptional and extraordinary items and tax (III - IV)		20,334,562	6,772,181
VI	Exceptional Items		--	--
VII	Profit/(Loss) Before extraordinary items and tax (V - VI)		20,334,562	6,772,181
VIII	Extraordinary Items		--	--
IX	Profit/(Loss) before Tax (VII - VIII)		20,334,562	6,772,181
X	Tax Expense			
	- Current Tax		8,569,495	2,619,477
	- Deferred Tax		1,803,929	412,994
	- Income tax for earlier years		--	18,901
			6,765,567	2,225,384
XI	Profit/(Loss) for the period from continuing operations (IX-X)		13,568,995	4,546,797
XII	Profit/(Loss) form discontinuing operations		13,568,995	4,546,797
XIII	Profit for the period (XI + XII)			
	Earning per Equity Share			
	Basic		1.05	0.35
	Diluted		1.05	0.35

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

As per our Report this date annexed

For R. Kothari & Company

Chartered Accountants

K.C Soni

M. No. 057620

Place : Kolkata

Dated : 28th June, 2016

Sanjay Kumar Agarwal

General Manager (F&A) & Secretary

Satyananda Sahoo

Chief Financial Officer

FOR & ON BEHALF OF BOARD

J.K.Kapila

Director/Manager

A.K.Jain

Director

Bally Jute Company Limited

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

NOTE NO. 1 Significant Accounting Policies

For the year ended March 31, 2016

Corporate Information

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

I. Basis of Accounting

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

II. Use of Estimates

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

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

III. Fixed Assets

Fixed Assets are stated at their original cost less accumulated depreciation. Cost includes all expenses incurred to bring the assets to its present location & condition.

IV. Depreciation

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

V. INVENTORIES:

Inventory of the Company have been valued as follows:

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

Bally Jute Company Limited

VI. Foreign Currency Transactions

a) Initial Recognition :

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

b) Foreign Exchange Differences :

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

c) Conversion :

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

VII. Revenue Recognition :

i) Sale of Product

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

ii) Dividend and Interest Income

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

iii) Insurance Claim

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

iv) Export Incentive

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

VIII. Government Grants

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

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

IX. Investment

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

Bally Jute Company Limited

X. Borrowing Cost

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

XI. Retirement Benefits:

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

XII. Contingent Liability:

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

XIII. Taxes On Income:

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

XIV. Provisions & Contingencies:

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

XV. Earnings Per Share:

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

Bally Jute Company Limited

Notes to the Financial Statements

(In Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015		
2. SHARE CAPITAL				
Authorised :				
13,000,000 Equity Shares of Rs. 10/- each (Previous Year 13,000,000 Equity Shares of Rs. 10/- each)	130,000,000	130,000,000		
	130,000,000	130,000,000		
Issued, Subscribed				
12,907,659 Equity Shares of Rs. 10/- each (Previous Year 12,907,659 Equity Shares of Rs. 10/- each)	129,076,590	129,076,590		
	129,076,590	129,076,590		
Paid up				
12,907,659 Equity Shares of Rs. 10/- each fully paid up (Previous Year 12,907,659 Equity Shares of Rs. 10/- each)	129,076,590	129,076,590		
	129,076,590	129,076,590		
A) The reconciliation of the number of shares outstanding as at 31st March, 2016				
	As at 31st March, 2016		As at 31st March, 2015	
	No. Of Shares	Value	No. of Shares	Value
Equity shares at the beginning of year	12,907,659	129,076,590	12,907,659	129,076,590
Issued during the year	–	–	–	–
Equity shares at the end of the year	12,907,659	129,076,590	12,907,659	129,076,590
B) The company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held and having same rights as to dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount in proportion to their shareholding.				
C) The name of Shareholders holding more than 5% shares in the Company and their numbers are as follows :				
	As on 31/3/2016		As on 31/03/2015	
NAME OF THE SHAREHOLDERS	No. Of Shares	%	No. of Shares	%
Ambica Capital Markets Limited	4,793,073	37.13	4,793,073	37.13
Aspective Tie Up Limited	1,746,000	13.53	1,746,000	13.53
Goldview Financial Services Limited	1,097,533	8.50	1,097,533	8.50
Kshitiz Merchandise Ltd.	1,686,000	13.06	1,686,000	13.06
Satbichar Vyapaar Limited	1,684,500	13.05	1,684,500	13.05

Bally Jute Company Limited

Notes to the Financial Statements

3. RESERVE AND SURPLUS

Particulars	As at 31st March 2015	Additions Created during the year	Deductions during the year	As at 31st March 2016
Capital Reserve	17,076,393 (17,076,393)	-- --	-- --	17,076,393 (17,076,393)
Securities Premium Reserve	55,757,782 (55,757,782)	-- --	-- --	55,757,782 (55,757,782)
General Reserve	596,197,222 (596,197,222)	-- --	-- --	596,197,222 (596,197,222)
Surplus as per Profit & Loss Account	54,775,275 (87,755,358)	13,568,995 (4,546,797)	-- (37,526,880)	68,344,270 (54,775,275)
Total	723,806,672	13,568,995	--	737,375,667
Previous Year 2014-15	(756,786,755)	(4,546,797)	(37,526,880)	(723,806,672)

Notes	2016	2015
(1) Profit for the year	13,568,995	4,546,797
	13,568,995	4,546,797

(In Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
NON-CURRENT LIABILITIES		
4. LONG-TERM BORROWINGS		
Unsecured		
Loan from others		
Inter Corporate Deposit	1,60,000,000	65,000,000
	1,60,000,000	65,000,000

Bally Jute Company Limited

Notes to the Financial Statements

(In Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
CURRENT LIABILITIES		
5. SHORT-TERM BORROWINGS		
Secured		
Working Capital facility from Schedule Bank (Canara Bank)	283,250,202	299,563,807
(i) Prime: Secured by hypothecation of Current assets viz. Raw Materials, Work-in-progress, Stores & Spares, Semi-Finished Goods, Finished goods and Book debts		
(ii) Collateral: Secured by:-		
(a) Existing Plant and Machinery		
(b) EMT of Land and factory building, shed and godown		
(iii) Personal Guarantee of Sri H.C. Kankaria and Sri A.K. Kankaria		
(iv) Corporate Guarantee of Ambica Jute Mills Ltd.		
Loan from L.I.C.	56,788,000	52,888,000
(Availed against assignment of Keyman insurance policy held by the company)		
Unsecured		
Intercompany Deposit	--	15,300,000
	340,038,202	367,751,807
6. OTHER CURRENT LIABILITIES		
Trade Deposits & Advances	1,093,123	26,346,571
Interest accrued and due on borrowings	18,264,533	10,652,955
Sales Tax & Withholding taxes payable	2,298,370	1,873,940
Other Payable-employees	7,029,299	7,711,394
Other Payables	74,310,932	67,854,372
	102,996,257	114,439,232
7. SHORT - TERM PROVISIONS		
Income Tax	16,852,461	8,282,966
	16,852,461	8,282,966

Bally Jute Company Limited

Notes to the Financial Statements

8. FIXED ASSETS - TANGIBLE (In Rs.)

Description	GROSS BOOK-COST/BOOK VALUE				DEPRECIATION/AMORTISATION				NET BLOCK		
	Total as at 31st March 2015	Additions/adjustment during the year	Deductions/adjustment during the year	Total as at 31st March 2016	Total as at 31st March 2015	Provided during the year	Deductions/adjustments during the year	Written back*	Total as at 31st March 2016	As at 31st March 2016	As at 31st March 2015
Land Freehold	349,960,510	-	-	349,960,510	-	-	-	-	-	349,960,510	349,960,510
Buildings	157,466,094	3,676,242	-	161,142,336	52,247,445	5,125,767	-	-	57,373,212	103,769,124	105,218,649
Computer	29,109,796	1,138,662	-	30,248,458	27,983,572	257,785	-	-	28,241,357	2,007,101	1,126,224
Plant & Machinery	782,897,283	10,236,204	-	793,133,487	382,982,180	41,690,658	-	-	424,672,838	368,460,649	399,915,103
Vehicles	4,642,353	320,190	409,045	4,553,498	742,878	483,144	115,959	-	1,110,063	3,443,435	3,899,475
Office Equipments	3,836,302	550,901	-	4,387,203	1,955,175	700,374	-	-	2,655,549	1,731,654	1,881,127
Furniture & Fixtures	1,178,555	76,350	-	1,254,905	798,060	55,660	-	-	853,720	401,185	380,495
TOTAL	1,329,090,893	15,998,549	409,045	1,344,680,397	466,709,310	48,313,388	115,959	-	514,906,739	829,773,658	862,381,583
Previous Year :-	1,252,433,150	78,465,746	1,808,003	1,329,090,893	387,427,112	43,241,115	1,485,797	37,526,880	466,709,310	862,381,583	

Bally Jute Company Limited

Notes to the Financial Statements

			(In Rs.)	(In Rs.)
Particulars			As at 31st March, 2016	As at 31st March, 2015
9. NON CURRENT INVESTMENTS				
Non Trade Investment Unquoted				
Number	Face Value per unit	Name of the Company		
10000 (10000)	Rs. 10	AKK Mercantile Pvt. Ltd. (Fully paid Equity Shares)	100,000	100,000
			100,000	100,000
10. OTHER NON - CURRENT ASSETS				
<u>Unamortized Expenses</u>				
Preliminary Expenses			--	
Opening Balance				7,814
Less: Amortization during the year			--	7,814
(To be written off in next 12 months Rs. 7814/-)				
			--	--
CURRENT ASSETS				
11. INVENTORIES (As certified by Management)				
Raw Materials			286,344,908	247,643,452
Work-in-progress			82,035,195	43,987,211
Finished Goods			257,681,262	122,950,628
Stores & Spares			17,033,742	20,635,976
			643,095,107	435,217,267
12. TRADE RECEIVABLE				
Unsecured (Considered Good)				
Debts outstanding for a period exceeding six months			3,183	--
Other Debts			175,129,100	119,574,928
			175,132,283	119,574,928
13. CASH AND CASH BALANCES				
CASH & CASH EQUIVALENT				
In Current Accounts with Schedule Bank			459,629	837,025
Cash in hand and as Imprest			2,948,206	1,896,257
OTHER BANK BALANCES				
Fixed Deposit with Bank (Maturity less than 12 months)			2,977,097	2,585,850
			6,384,932	5,319,132

Bally Jute Company Limited

Notes to the Financial Statement

(In Rs.)

(In Rs.)

Particulars	As at 31st March, 2016	As at 31st March, 2015
14. SHORT TERM LOANS AND ADVANCES (Unsecured, Considered good) Advances Recoverable in cash or kind or for value to be received		
Advances to Employees	4,277,497	8,704,801
Advance to Suppliers	7,885,432	3,665,272
Advances to Others	24,339,716	9,379,710
Deposits	3,277,957	4,713,862
Deposit/Balances with Statutory Authorities	44,149	70,630
Advance Income Tax (Including Tax deducted at source)	17,508,111	8,981,523
	57,332,862	35,515,798
15. OTHER CURRENT ASSETS		
Due from Government authorities	8,327,247	8,396,016
Interest Receivable	--	174,567
Rent Receivable	--	270,000
Prepaid Expenses	6,299,625	4,558,638
	14,626,872	13,399,221
16. REVENUE FROM OPERATIONS		
Sales of Jute Goods	2,341,525,330	1,791,929,692
Less : Cess Duty	21,721,481	17,512,245
Net Sales of Jute Goods	2,319,803,849	1,774,417,447
Sale of Import License	8,273,325	--
Duty Drawback on Export	16,933,749	1,205,788
Net Sales	2,345,010,923	1,775,623,235
17. OTHER INCOME		
Dividend	--	4,655
Interest Income	1,003,424	210,944
Rent Income	--	300,000
Miscellaneous Income	--	10,450
Profit on Sale of Fixed Assets	--	52,250
	1,003,424	578,299
18. COST OF MATERIALS CONSUMED		
Opening Stock	247,643,452	157,913,260
Add : Purchase (Net of Sales refer Note No. 28)	1,533,333,170	1,131,267,505
Less : Closing Stock	286,344,908	247,643,452
	1,494,631,714	1,041,537,313

Bally Jute Company Limited

Notes to the Financial Statement

Particulars	(In Rs.)	(In Rs.)
	As at 31st March, 2016	As at 31st March, 2015
19. CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Closing Stock in Progress	82,035,195	43,987,211
Closing Stock - Finished Goods	257,681,262	122,950,628
	339,716,457	166,937,839
Opening Stock in Progress	43,987,211	44,308,016
Opening Stock - Finished Goods	122,950,628	97,353,145
	166,937,839	141,661,161
Increase / (Decrease) in Stock	(172,778,618)	(25,276,678)
20. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages & Allowances	412,112,412	369,319,207
Contribution to Provident & Other Fund	44,471,988	40,720,363
Staff Welfare Expenses	1,206,672	2,676,889
	457,791,072	412,716,459
21. FINANCE COST		
Interest Expenses	53,225,516	47,307,125
Exchange Rate Fluctuation	2,136,156	22,580
	55,361,672	47,329,705
22. OTHER EXPENSES		
Store & spares consumed	129,187,807	85,750,481
Power & Fuel	121,833,239	105,183,723
Repairs to Building	2,372,563	2,497,417
Repairs to Machinery	139,831	962,425
Insurance Premium	12,158,382	9,226,084
Bank Charges	8,723,861	1,397,753
Rates & Taxes	2,821,358	1,491,152
Brokerage & Commission	8,889,640	7,881,795
Auditors Remuneration	291,975	286,518
Miscellaneous Expenses	40,388,365	35,204,091
	326,807,021	249,881,439

Bally Jute Company Limited

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

Additional Notes in relation to Financial Statements

23. Valuation of closing stock of finished goods is taken at cost without considering the levy of cess duty on such stock. It is not a conformity by AS-2 issued by institute of Chartered Accountants of India. Non inclusion of cess duty amounting to Rs. 25,76,812/- has no impact on profitability for period under review but has consequential impact on inventory of finished goods as well as provision of cess duty.
24. Contingent Liability not provided in respect of
- Bank Guarantee given by the Company's amounting to Rs. 2,87,30,000/- (Previous year Rs. 2,67,00,347/-).
 - Claim not acknowledge by the Company for sales tax demand for various financial year under appeal Rs. 6,56,06,965/- (P.Y. Rs. 8,22,58,577/-).
 - 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. 7,31,61,132/- as on 31st March 2016 (P.Y. 6,27,74,878/-).
 - The company paid Rs. 6,08,330/- for liability of Rs. 6,08,330/- against Payment of Gratuity Act 1972, matter is pending under appeal with the appellate Authority.
 - The Company paid an Advance of Rs. 7,82,000/- against the demand raised by E.S.I.C. of Rs. 38,45,609/- for which the company made an appeal.
25. Liability of Gratuity has been determined on Actuarial valuation as per revised AS-15 as on 31.03.2016 Rs. 17,24,98,636/- (P.Y. Rs. 17,56,81,883/-). The same will be accounted for as and when paid.
26. Auditors Remuneration consists of: (Excluding Service Tax)

Particulars	Year 2015-16	Year 2014-15
Audit Fees	1,80,000	1,80,000
Tax Audit Fees	75,000	75,000

27. Cost of Material Consumed includes directly attributable expenses amounting to Rs. 3,16,10,701/- (Previous year 2,93,74,593/-).
28. Cost of Material Consumed is shown after adjusting sale of Raw Jute totalling to Rs. 5,67,44,155/- (P.Y. Rs. 1,92,07,670/-) and stores & spares consumed are net of sales of scrap totalling to Rs. 47,95,388/- (P.Y. Rs. 37,27,271/-).
29. a) In the opinion of the Management, all the assets other than Fixed Assets and Non-Current Investments have a value of realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. Provision for depreciation and all known liabilities is adequate and not in excess of what is required.
- b) The Company is yet to receive the balance confirmations in respect of certain trade payables, other payables, trade receivables, other receivables and advances. The Management does not expect any material difference affecting the current year's financial statements due to the same.
30. There are no micro, small, medium enterprises to which the company owes dues, which are outstanding for more than 45 days as on 31st March, 2016, 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:

Bally Jute Company Limited

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

Relationship	Nature of Related Party	Nature of Transaction	Balance Outstanding 31/03/2016 (Rs.)
Company having Significant Influence	Bally Jute Mills Employee's Provident Fund Trust	P.F.Contribution	Rs. 33,33,012/- (P.Y. 31,93,887)
Key Managerial Personnel	J.K.Kapila (Manager cum Director)	Remuneration	Rs. 3,42,000/- (P.Y. 3,42,000)
Key Managerial Personnel	Mr. M.R. Yagnik (President)	Remuneration	Rs. 15,81,500/- (P.Y. 15,28,161)

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.

Particulars	31.03.2016	31.03.2015
Nominal Value per share (RS.)	10	10
Profit after Taxation (RS.)	1,35,68,995	45,46,797
Weighted average no. of shares		
- For Basic E.P.S	1,29,07,659	1,29,07,659
- For Diluted E.P.S	1,29,07,659	1,29,07,659
Basic Earning per Share (RS.)	1.05	0.35
Diluted Earning per Share (RS.)	1.05	0.35

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.17,94,920/- (P.Y. Rs. 4,12,994/-) has been recognized in the statement of Profit & Loss .

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

Particulars	2015-16 (Rs.)	2014-15 (Rs.)
Opening Balance of Deferred Tax Assets/(Liabilities)	(2,85,51,013)	(2,89,64,007)
Add/Less : Deferred Tax Assets/(Liability) on account of Depreciation	18,03,929	4,12,994
Closing Balance Deferred Tax Assets/(Liability)	(2,67,47,084)	(2,85,51,013)

Bally Jute Company Limited

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

36. QUANTITATIVE DETAILS :

Sl. No.	Particulars	Value (Rs.) 2015-16	%	Value (Rs.) 2014-15	%
i)	Value of Imported and Indigenous Raw Material & Stores (Including Components & Spare Parts) Consumed				
	Raw Material :—				
	Imported	26,03,19,706	17.42%	--	100%
	Indigenous	123,43,12,008	82.58%	104,15,37,313	100%
	TOTAL	149,46,31,714		104,15,37,313	100%
	Stores :—				
	Imported	--	--	--	--
	Indigenous	12,91,87,807	100%	8,57,50,481	100%
	TOTAL	12,91,87,807	100%	8,57,50,481	100%
ii)	Earning in Foreign Currency :				
	Export of goods calculated on F.O.B. Basis	31,36,03,494		16,68,85,356	--
iii)	Expenditure in Foreign Currency :				
	Import of Raw Jute	26,03,19,706	--	--	--
	Travelling Expenses	36,33,733	--	23,52,124	--

37. Figures are rounded off to the nearest rupee.

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

For R. Kothari & Company

Chartered Accountants

F.R.N. No : 307069E

K.C Soni

M. No. 057620

Place : Kolkata

Dated : 28th June, 2016

FOR & ON BEHALF OF BOARD

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

Satyananda Sahoo
Chief Financial
Officer

J.K.Kapila
Director/Manager

A.K.Jain
Director

Bally Jute Company Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016		
Particulars	For the Year Ended 31.03.2016	For the Year Ended 31.03.2015
A. CASH FLOWS FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	20,334,562	6,772,181
Adjustments For :		
Depreciation	48,313,388	43,241,115
Profit on Sale of Machinery	128,086	(52,250)
Dividend Income	--	(4,655)
Interest & Finance Charges	55,361,672	47,307,125
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	124,137,708	97,263,516
Trade & Other Receivables	(78,602,070)	(34,061,118)
Inventories	(207,877,840)	(114,752,739)
Trade Payables	148,172,718	195,790,248
CASH GENERATED FROM OPERATIONS	(14,169,484)	144,239,907
Direct Taxes paid	(8,569,495)	(2,638,378)
CASH FLOW BEFORE EXTRA ORDINARY ITEMS	(22,738,979)	141,601,529
EXTRA ORDINARY ITEMS	--	--
NET CASH PROVIDED BY OPERATING ACTIVITIES (A)	(22,738,979)	141,601,529
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(15,998,549)	(78,465,746)
Proceeds from Sale of fixed assets	165,000	374,456
Subsidy Receipt	--	--
Dividend Received	--	4,655
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(15,833,549)	(78,086,635)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment & Proceeds from borrowings	95,000,000	(15,000,000)
Preliminary Expenses	--	7,814
Payment of Interest & Finance Charges	(55,361,672)	(47,307,125)
NET CASH FROM FINANCING ACTIVITIES (C)	39,638,328	(62,299,311)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	1,065,800	1,215,583
Cash and Cash Equivalents as at the commencement of the year	5,319,132	4,103,549
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR	6,384,932	5,319,132

As per our Report this date annexed

For R. Kothari & Company

Chartered Accountants

K.C Soni

M. No. 057620

Place : Kolkata

Dated : 28th June, 2016

Sanjay Kumar Agarwal

General Manager (F&A) &
Secretary

Satyananda Sahoo

Chief Financial
Officer

J.K.Kapila

Director/Manager

A.K.Jain

Director

FOR & ON BEHALF OF BOARD