

# ANNUAL REPORT 2010-2011

## AI CHAMPDANY INDUSTRIES LIMITED

### BOARD OF DIRECTORS

Mr. G. J. Wadhwa, Chairman  
Mr. Harbhajan Singh  
Mr. S. M. Palia  
Mr. S. K. Mehera  
Mr. D. J. Wadhwa  
Dr. G. Goswami  
Mr. N. Das  
Mr. B. Wadhwa  
Mr. N Pujara (Executive Director-Mktg.)

Mr. B. K. Chowdhury  
Sr. General Manager (Accounts)  
& Company Secretary

### AUDITORS

D P Sen & Co.  
Chartered Accountants

### BANKERS

Bank of Baroda  
Allahabad Bank  
Export-Import Bank of India  
ING Vysya Bank Ltd.  
IndusInd Bank Ltd.

### REGISTERED OFFICE

25, Princep Street  
Kolkata-700 072

### SHARE DEPARTMENT

25, Princep Street  
Kolkata-700 072  
Phone: 2237 7880/85  
Fax: 033-2236 3754/033-2225 0221  
E-mail: [cil@ho.champdany.co.in](mailto:cil@ho.champdany.co.in)  
Website: [www.jute-world.com](http://www.jute-world.com)

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### WORKS

Wellington Jute Mill 9, G. T. Road Rishra, Hooghly  West Bengal Pin :712 248	Anglo India Jute Mill 1, West Ghosh Para Road Jagatdal 24,Parganas (N) West Bengal Pin:743 125	Fine Yarn Unit 1, West Ghosh Para Road Jagatdal 24,Parganas(N) West Bengal Pin : 743 125	Flax Unit 1, West Ghosh Para Road Jagatdal 24,Parganas(N) West Bengal Pin : 743 125	Kankinara Unit Bhutnath Kolay Raod P.O. Kankinara 24 Parganas (N) West Bengal Pin:743 126	Yarn Unit Konnagar Naity Road, Barabahera Dist : Hooghly West Bengal Pin : 712 246	Weaving Unit Konnagar Naity Road Barabahera Dist : Hooghly West Bengal Pin : 712 246
Yarn Unit 9, G. T. Road, Rishra Dist : Hooghly  West Bengal Pin : 712 248	Beldanga Unit P.O.Beldanga Murshidabad  West Bengal Pin : 742 101	Libra Carpet Choudwar Dist : Cuttack  Orissa Pin : 754 025	Weaving Unit 39,Shalimar Road Howrah(South) West Bengal Pin:711 103	Yarn Unit Choudwar Dist : Cuttack  Orissa Pin : 754 025	<b>100% Export Oriented Units</b>	
					Weaving Unit Rishra Dist : Hooghly West Bengal Pin : 712 248	Weaving Unit Narayanpur Dist : 24 Pgs.(N) West Bengal Pin : 700 136



# AI CHAMPDANY INDUSTRIES LIMITED

## Notice to the Shareholders

Notice is hereby given that the Ninety Third Annual General Meeting of the Members of the Company will be held on Saturday, August 13, 2011 at 11.30 A.M. at the Auditorium of Bengal National Chamber of Commerce & Industry, 1st Floor, 23, Sir R. N. Mukherjee Road, Kolkata - 700 001 to transact the following business:

### As Ordinary Business:

- (1) To consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
- (2) To appoint a Director in place of, Mr. G. J. Wadhwa who retires by rotation and, being eligible, offer himself for re-appointment.
- (3) To appoint a Director in place of, Mr. D. J. Wadhwa who retires by rotation and, being eligible, offer himself for re-appointment.
- (4) To appoint a Director in place of, Dr. G. Goswami who retires by rotation and, being eligible, offer himself for re-appointment.
- (5) To appoint auditors and to fix their remuneration and for this purpose to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“Resolved that pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs. D. P. Sen & Co., Chartered Accountants, be and are hereby re-appointed as auditors of the Company for audit of the Company's accounts and the auditors are to hold office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors in consultation with the Auditors.”

Registered Office  
25, Princep Street  
Kolkata – 700 072  
Dated: May 30, 2011

By Order of the Board  
B. K. Chowdhury  
Sr. General Manager (Accounts) &  
Company Secretary

### Notes:

- a) A member entitled to attend and vote at the Annual General Meeting (the meeting) is also entitled to appoint a proxy to attend and vote on a poll instead of himself / herself, and the proxy need not be a member of the Company. The instrument appointing the proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
- b) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- c) In terms of Article 101 of the Articles of Association of the Company Mr. G. J. Wadhwa, Mr. D. J. Wadhwa and Dr. G. Goswami, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. Brief resume of Mr. G. J. Wadhwa, Mr. D. J. Wadhwa and Dr. G. Goswami are annexed to the notice.
- d) Members are requested to bring their Attendance Slip along-with their copy of Annual Report to the meeting.
- e) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
- f) The register of Members and the Share Transfer Book of the Company will remain closed from August 05, 2011 to August 13, 2011 (both days inclusive).
- g) The Company has entered into necessary arrangements with National Securities Depository Limited

(NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialize their shareholdings in the Company for which they may contact the Depository Participants of either of the Depositories.

- h) Shareholders are requested to intimate changes, if any, in their Registered address, to the Share Transfer Agents of the Company at the following address or to the Company

**M/s MCS Ltd.  
77/2A, Hazra Road,  
Kolkata – 700 029  
Phone : 2454-1892  
Fax: 2454 –1961**

- i) Members holding shares in physical form may send their request for nomination in the prescribed Form 2B duly filled in and signed to the Company Secretary at its registered office or to the Company's Registrar and Share Transfer Agent. The member holding shares in dematerialized form may contact their respective Depository Participants (DP) for availing nomination facility.
- j) Pursuant to the provision of Section 205A of the companies Act, 1956 as amended, dividend for the financial year ended March 31, 1996, and thereafter, which remained unpaid or unclaimed for a period of seven years, will be transferred to the "Investors Education and Protection Fund" of the Central Government. Shareholders, who have not encashed the dividend warrants so far for the financial year March 31, 2004 or any subsequent year, are requested to make their claims to the Registered Office of the Company at 25, Princep Street, Kolkata-700 072. It may please be noted that once the unclaimed dividend is transferred to the Central Government as above, no claim shall lie in respect thereof.
- k) As approved by the Shareholders, the company has sub divided the Equity Shares of Rs. 10/- each into 2 equity shares of Rs. 5/- each with effect from September 19, 2008. Shareholders who have not yet surrendered old share certificates of face value of Rs. 10/- each are requested to surrender the same to the Registrar and Transfer Agent to enable the Company to dispatch new share certificates in lieu of old certificates.
- l) The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in the Corporate Governance" by introducing paperless compliances allowing service of documents through electronic mode to the members by giving an advance opportunity to every member to register their e-mail address, and changes therein from time to time.

In view of the above, to take part in the Green initiative, we propose to send documents such as Notices, Annual Reports etc. by e-mail to those members who register their e-mail addresses with the Company.

Please provide your e-mail address mentioning the Company's name and Folio Number to our Registrars, M/s MCS Ltd., by post at their postal address 77/2A, Hazra Road, Kolkata-700029 or by email at [mcskol@rediffmail.com](mailto:mcskol@rediffmail.com) in case shares held in physical form. Members who hold shares in dematerialised form are requested to write their e-mail address to concerned Depository Participant (DP), mentioning DP ID and Client ID to update their record.

In case the service of documents by electronic mode, please note that member may, subsequently, make a specific request for furnishing physical copies of such documents also.

Registered Office  
25, Princep Street  
Kolkata – 700 072  
Dated: May 30, 2011.

By Order of the Board  
B. K. Chowdhury  
Sr. General Manager (Accounts) &  
Company Secretary

**Annexure to Notice:**

Details of Directors seeking re-appointment in ensuing Annual General Meeting to be held on August 13, 2011.

Name of Directors	Mr. G. J. Wadhwa	Mr. D. J. Wadhwa	Dr. G. Goswami
Age	85	73	71
Date of appointment	31 <sup>st</sup> May, 2006	31 <sup>st</sup> May, 2006	30 <sup>th</sup> December, 2005
Expertise in specific functional area	Industrialist with vast experience in Jute Industry and export market	Industrialist with vast experience in Jute Industry and export market	Ex-chairman of IIBI with rich experience in finance and Management
List of outside Directorships held	G. Jerambhai Export Ltd Amar Investments Ltd National Electronics Pvt. Ltd.	West Bengal Multifiber Jute Park Ltd Jerambhai Management Services Pvt Ltd Wadhwa Endowment Management Pvt. Ltd	Digjam Ltd. Ganpati Sugar Industries Ltd Naffar Chand Jute Mills Ltd Amar Investments Ltd Shibir India Ltd Rishra Investments Ltd
Chairman/Member of the Committee of the Board of Directors of the Company.	NIL	Member of the Audit Committee	Member of Audit Committee, Remuneration Committee and Chairman of the Investors' Grievances Committee
Chairman/Member of the Committee of the Board of Directors of other Public Limited Companies	NIL	Nil	Member in 3 committees of the Digjam Ltd, Member of the Audit Committee in Shibir India Ltd and Rishra Investments Ltd
No. of shares held	Equity: 1189300 2% Preference: 1189300	Equity : 2645642 2% Preference: 2645642 7% Preference: 595000	Nil

# AI CHAMPDANY INDUSTRIES LIMITED

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their report alongwith Audited Financial Results of the Company for the year ended 31st March 2011.

	Year ended 31st March, 2011	Year ended 31st March, 2010
	<b>(Rs. in lacs)</b>	
<b>Total Income</b>	34484.54	24613.75
Profit before Interest, Depreciation, Exceptional items (net) and Tax	1292.25	1601.45
Less:		
Interest	616.76	676.21
Depreciation	652.78	769.01
Exceptional items (net)	0.93	83.36
<b>Profit Before Tax</b>	<b>21.78</b>	<b>72.87</b>
Provision for Tax:		
- Current Tax	6.30	14.84
- Deferred Tax Liability/ (Asset)	0.34	(23.96)
<b>Profit After Tax</b>	<b>15.14</b>	<b>81.99</b>
Add: Profit brought forward from the Previous year	15.22	457.83
Adjustment relating to earlier years (taxes)	15.99	(524.60)
Balance carried over	14.37	15.22

#### **DIVIDEND:**

In view of inadequacy of profits, your Directors are constrained by not recommending any dividend on Preference as well as on Equity Shares.

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

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

#### **CORPORATE GOVERNANCE:**

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

#### **BOARD OF DIRECTORS:**

As per the provisions contained in the Companies Act, 1956 and the Articles of Association of the Company, Mr. G J Wadhwa, Mr. D J Wadhwa and Dr. G Goswami, Directors retire by rotation and being eligible, offer themselves for re-appointment.

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

## **LEGAL MATTERS**

The Company's two foreign shareholders – Blancatex AG and Aldgate International SA have filed two separate petitions under section 397 and 398 of the Companies Act, 1956 before the Company Law Board (CLB) primarily challenging the transfer of the Rampur Texpro Unit to Champdany Constructions Ltd, the Company's wholly owned subsidiary and proposed transfer of the Shalimar Unit to AIC Properties Ltd, another wholly owned subsidiary of the Company. The CLB has passed an interim order dated 12<sup>th</sup> January 2010 against the Company restraining it from acting in furtherance of the resolution for transfer of the Shalimar Unit during the pendency of the proceedings. The said order also restrains Champdany Constructions Ltd from transferring or creating any third party interest in the fixed assets of the Rampur Texpro Unit.

The Company is contending the petitions as without any merit since the transfer of the Rampur Texpro Unit and proposed transfer of the Shalimar Unit have been approved by the majority shareholders of the Company.

In the pending proceedings, the two shareholders have sought disclosure of certain documents including board minutes and notes etc. The Company has strongly contested this. The CLB in its last order dated 17<sup>th</sup> May 2010 has partly allowed the said application and has directed the company to disclose board minutes relating to incorporation of subsidiary companies for diversifying into the construction and/or real estate business and expenditure and income that may be generated from the Rampur Texpro Unit and the Shalimar Unit.

Allegedly being aggrieved by and/or dissatisfied with the Order dated 17<sup>th</sup> May 2010 AI Champdany Industries Ltd preferred two appeals separately against the two shareholders viz. Blancatex AG and Aldgate International SA. Blancatex AG and Aldgate International SA also preferred cross appeals challenging the Order dated 17<sup>th</sup> May 2010 for not allowing inspection of all the documents as sought.

By a Judgement dated 21<sup>st</sup> March 2011, all the appeals were disposed of by the Hon'ble High Court directing the two shareholders to file their respective re-joinders. Prior to that no inspection was allowed to be given. Blancatex AG and Aldgate International SA have filed their respective rejoinders.

## **AUDITORS:**

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

## **SUBSIDIARY:**

As required under the provisions of Section 212 of the Companies Act, 1956, the Audited Accounts, together with the Directors' Report and Auditor's Report of the subsidiary Companies namely, Landale & Clark Limited, West Bengal Multifiber Jute Park Ltd, Champdany Constructions Limited and AIC Properties Ltd, are appended to and form part of the Annual Report.

## **CONSOLIDATED FINANCIAL STATEMENT :**

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

## **AUDITOR'S REPORT:**

Observations of the Auditors in their report vide para D (I) (i) to D (I) (vi), have been adequately dealt with in the Notes 24 to 27 (c) in Schedule 17 of the Accounts which are explained hereunder seriatim.

- (i) The commodity hedging contracts are accounted for on the date of their settlement and realised gain/loss in respect of only settled contracts are recognised in the Profit and Loss Account, alongwith underlying transactions. This is in accordance with the principles of prudence.
- (ii) In respect of Loss on Account of Fire at the Company's Wellington Jute Mill on 22<sup>nd</sup> April, 2006 and 21<sup>st</sup> January 2011, the Company has not made any adjustment in the books as the claim is pending settlement with the Arbitrator and Insurance Company respectively. The Company recognises insurance claims on receipt/assessment basis of related claim from the insurance authorities.
- (iii) The Company is providing Gratuity Liability on accrual basis for all its units and only in respect of one unit i.e. Jagatdal, it was accounted for on cash basis for the intervening period of 1996-97 to 2006-07 as explained in Note No.26 in Schedule 17 to the Accounts.
- (iv) Remission of Taxes by the Sales Tax authorities: The matter is pending settlement with the authorities and will be adjusted on reaching finality. Meanwhile it has been adequately explained in the Note 27(a) of Schedule 17, which is an integral part of the Annual Accounts.

- (v) There is a long standing advance of Rs.26.93 lacs which is pending since takeover of erstwhile Anglo-India Jute Mills Co. Ltd from BIFR and recoverable from erstwhile promoter on finality of court cases.
- (vi) Landale & Clark Ltd was inherited as a part of acquisition of Anglo-India Jute Mills Co. Ltd through BIFR as a Subsidiary Company. Major portions of the assets are in Bangladesh.

**PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956:**

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

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

**INDUSTRIAL RELATIONS:**

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

**ACKNOWLEDGEMENTS:**

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

Place: Kolkata  
Dated: 30<sup>th</sup> May 2011.

On behalf of the Board

B. Wadhwa }  
N. Pujara } Director

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## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**A. Industry Structure and Development:**

During the year, the Jute Industry had to bear the full impact of a steep increase in the wage cost which resulted from a tripartite settlement agreement with the workers' unions, entered into February 2010, causing substantial cost escalation, on top of which serious labour shortages had to be faced by the Industry with migratory labour usually available in the Industry shrinking due to job opportunities being available at their native places under various Government schemes provided for minimum number of days work.

Raw Jute prices which reached a record level, upto Rs. 3,800/- per quintal (Standard TD-4 variety) with higher grades commanding record premiums, causing almost unmanageable cost hike for specialty fine variety of products, which are basically the backbone of the Indian export market. The Indian Jute Industry continued to be seriously handicapped competing with Bangladesh cheap prices backed by Government subsidies, exchange rates etc. and relatively easier availability of quality jute.

Jute prices are now trying to find a plateau, albeit at much higher than support levels. It is expected that 2011-12 jute season, with favourable weather conditions so far and higher acreage of jute sowing, barring future weather calamity, should yield better quality and higher crop, though the solution of trained worker shortage is unlikely to abate till new trainee workers attain adequate skill and experience.

With a forecast of normal monsoon, the country's agricultural economy is expected to flourish and this should also help the Jute Industry, with expected higher demand from domestic markets to pack agri-products.

Further, the Jute Industry has to gear itself to remain competitive and contend with work force constraints by going in for newer generation equipment which would not only cope with lower manpower requirements but also be capable of producing more value-added products which competing neighbouring countries are yet to gear up to produce. They mainly focus on standard products where the Bangladesh Government subsidy, exchange rates, cheap raw materials/labour costs etc. make it extremely difficult for the Indian Industry to compete in export markets for such standard items.

The Jute Industry is still trying to get back to normalcy after last year's industry- wide strike settled at heavy cost and had to further cope with a series of adverse developments of unfavourable weather conditions causing quantitative and qualitative damages to the raw jute crop with prices escalating to record levels.

**B. Opportunities/Threats, Risks & Concerns:**

❖ **Opportunities**

In the Jute Industry, opportunity has to be created by optimising uses of Jute, a natural and eco-friendly fibre, which can be done by focusing on more and more value-added products with blends of other natural and/or man-made fibres. Hopefully (i) with easing of availability of better grade fibres in the new season, at affordable prices, (ii) modernization of the manufacturing process to cater for higher quality products and requiring lesser manpower compared to traditional labour intensive process so as to combat shortage of workers, and (iii) greater global emphasis/focus on using natural products instead of plastic/synthetic items, further opportunities can be created for companies like ours having thrust on these areas.

❖ **Threats/Risks and Concerns**

- Continuous low productivity in the Jute Industry, despite steep increase in wages consequent to the wage settlement in February, 2010 and scarcity of skilled work force.
- Proposed withdrawal of various export incentives including subvention of interest rates on export credit, likely withdrawal of DEPB etc. thereby rendering exports uncompetitive, unless some alternative measures are announced by the Government.
- Continuation of Jute Packaging Materials (Compulsory use for Packaging Commodities) Act, 1987 which is presently valid upto 30<sup>th</sup> June 2011.
- Credit risk crisis in developed countries and high volatilities in the foreign exchange market.

**C. Outlook:**

In January, 2011 the company secured a large export order for 17.76 million euros (equivalent to Rs. 109.35 crores) from a Government of Syria undertaking for supply of jute goods. This order is being executed in the current financial year and shipment of the goods commenced from April, 2011.

Raw jute prices which were expected to be a little lower are currently ruling firm but it is expected that with higher carryover of jute from the previous crop and an expectation of good crop in the current season, prices should soften on arrival of new jute, barring unforeseen situations.

The company had to declare suspension of work at its Wellington Jute Mill, Rishra w.e.f. 21<sup>st</sup> March 2011 due to labour indiscipline resulting in very low productivity compared to Industry norms. Efforts are continuing with the workers' unions for restoring normalcy at the unit so that production can be resumed at the earliest.

**D. Internal Control System & Adequacy:**

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

**E. Financial & Operating Performance:**

During the year under review, production and sales/related income was 52367 MT and Rs. 341.33 crores respectively compared to 45586 MT and Rs. 244.76 crores respectively in the previous year. Export Sales (CIF) was Rs. 95.60 crores compared to Rs. 46.88 crores in the previous year.

Performance was adversely affected for the following reasons:

- (i) Suspension of work at Anglo India Jute Mills, Jagatdal from 20<sup>th</sup> July 2010 to 11<sup>th</sup> August, 2010 due to labour unrest.

- (ii) Fire at Wellington Jute Mills, Rishra on 21<sup>st</sup> January 2011 and consequent work suspension from 22<sup>nd</sup> January 2011 to 23<sup>rd</sup> January 2011 and lower production thereafter due to salvaging operations and restoration of equipment damaged by fire.
- (iii) Suspension of work declared at Wellington Jute Mills from 21<sup>st</sup> March 2011 due to labour indiscipline leading to very low productivity compared to Industry norms.

**Debonding of 100% EOU (Yarn) Unit, Konnagar**

On 20<sup>th</sup> May 2011 the Company got its 100% EOU (Yarn) Unit located at Konnagar debonded from the EOU scheme and accordingly the said Unit has become a Domestic Tariff Area (DTA) Unit.

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

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

The Shalimar Unit and the Narayanpur unit have been closed with due process of law. Operations at the Yarn Unit and Libra Carpet Unit located at Choudwar, District. Cuttack, Orissa and Yarn Unit at Konnagar, West Bengal (debonded on 20<sup>th</sup> May 2011) continued to be under suspension.

Disruptions of operations at other units during the year have been mentioned at Clause E of this report.

**G. Cautionary Statement:**

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

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**Auditor's Certificate on compliance with the conditions of  
Corporate Governance Under Clause 49 of the Listing Agreement  
To the Members of AI Champdany Industries Limited**

We have examined the compliance of conditions of Corporate Governance by AI Champdany Industries Limited ("the Company") for the year ended 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Kolkata  
Dated: May 30, 2011

For and on behalf of  
D. P. Sen & Co.  
Chartered Accountants

S. K. Nayak  
Partner  
Membership No: 58711

## **AI CHAMPDANY INDUSTRIES LIMITED**

### **Corporate Governance Report for the year ended 31st March, 2011.**

The detailed report on Corporate Governance and process including compliance by the Company with the provisions of Clause 49 of the Listing Agreement is set out below:

#### **1. Company's Philosophy on Code of Governance:**

The Board of Directors and Management are committed to maximizing shareholder value on a sustained basis. The Company considers good Corporate Governance to be a pre-requisite for meeting the objective of shareholders' wealth maximization. Good Governance practices in the Company include adoption of best Board practices, respect and protection of minority views and interests and institutionalization of a fair and transparent reporting system.

#### **2. Board of Directors:**

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

During the financial year ended 31st March, 2011, five Board meetings were held on 30<sup>th</sup> May, 2010, 12<sup>th</sup> August, 2010, 29<sup>th</sup> September, 2010, 08<sup>th</sup> November 2010 and 14<sup>th</sup> February, 2011. The maximum gap between any two meetings was less than 3 months.

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

Name of the Director	Category	Attendance		No. of other Directorships and Committee Memberships/Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. G. J. Wadhwa	Promoter Non-Executive Chairman	1	No	3	NIL	NIL
Mr. S. M. Palia	Independent Non-executive	NIL	No	6	4	2
Mr. S K Mehera	Independent Non-executive	5	Yes	NIL	NIL	NIL
Mr. Harbhajan Singh	Independent Non-executive	5	Yes	6	NIL	NIL
Dr. G. Goswami	Independent Non-executive	3	No	8	3	NIL
Mr. D. J. Wadhwa	Promoter Non-Executive	5	Yes	3	NIL	NIL
Mr. N. Das	Independent Non-executive	5	Yes	4	2	3
Mr. N. Pujara	Executive Director (Mktg.)	5	Yes	14	NIL	2
Mr. B. Wadhwa	Promoter Non-Executive	5	Yes	7	NIL	NIL

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

#### **3. Audit Committee :**

The Board of Directors has set up an Audit Committee under the provisions of Section 292(A) of the Companies Act, 1956, and for compliance of Corporate Governance Code under Clause 49 of the Listing Agreement. The

terms of reference of Audit Committee are determined by the Board from time to time. The role and composition of the Audit Committee are as follows:

- ❖ Overseeing Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ❖ Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- ❖ Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on :
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with Accounting Standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.
- ❖ Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- ❖ Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- ❖ Discussion with internal auditors on any significant findings and follow up thereon.
- ❖ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- ❖ Discussions with external auditors before the audit commencement, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- ❖ Reviewing the Company's financial and risk management policies.

The Audit Committee consisted three non-executive independent Directors and one non-executive promoter Director as follows:

- i) Mr. Harbhajan Singh - Chairman (non-executive independent Director)
- ii) Mr. S. K. Mehera - Member (non-executive independent Director)
- iii) Dr. G. Goswami - Member (non-executive independent Director)
- iv) Mr. D. J. Wadhwa - Member (non-executive promoter Director)

The Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors and Internal Auditors are invitees to the meetings of the Audit Committee.

During the financial year ended 31st March, 2011, four Audit Committee meetings were held on 30<sup>th</sup> May, 2010, 12<sup>th</sup> August, 2010, 08<sup>th</sup> November, 2010 and 14<sup>th</sup> February, 2011. Mr. Harbhajan Singh attended four meetings, Mr. S. K. Mehera attended four meetings, Dr. G. Goswami attended three meetings and Mr. D. J. Wadhwa attended four meetings. The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meetings.

#### **4. Remuneration Committee:**

**Composition:** The Remuneration Committee of the Board comprises of three Independent Directors, namely Mr. S. K. Mehera, Chairman; Dr. G. Goswami and Mr. N. Das.

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

**Meetings:** During the financial year ended 31<sup>st</sup> March 2011, two Remuneration Committee Meeting were held on 24<sup>th</sup> April 2010 and 14<sup>th</sup> February 2011.

#### **Remuneration to Non-Executive Directors:**

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the financial year 2010-11 is as under:

# **DETAILS OF REMUNERATION PAID TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2011.**

## **A. Non-Executive Directors**

**(Amount in Rs.)**

Name of the Director	Meeting Fees				No. of shares held		
	Audit Committee	Board	Other * Committees	Total	Equity	2% Preference	7% Preference
Mr. G. J. Wadhwa	-	7,500	-	7,500	1189300	1189300	-
Mr. S. M. Palia	-	-	-	-	266	500	-
Mr. S. K. Mehera	30,000	37,500	15,000	82,500	266	-	-
Mr. Harbhajan Singh	30,000	37,500	-	67,500	-	-	-
Dr. G. Goswami	22,500	22,500	22,500	67,500	-	-	-
Mr. D. J. Wadhwa	30,000	37,500	-	67,500	2645642	2645642	595000
Mr. N. Das	-	37,500	15,000	52,500	2666	-	-
Mr. B. Wadhwa	-	37,500	7,500	45,000	1732	-	-
<b>Total</b>	<b>1,12,500</b>	<b>2,17,500</b>	<b>60,000</b>	<b>3,90,000</b>			

\* for attending Remuneration Committee and Investors' Grievance Committee meetings.

## **B. Remuneration to Executive Director/Whole time Director**

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

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

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

Name of the Executive Director	Salary (Rs)	Benefits (Rs)	Remarks
Mr. Nirmal Pujara	13,50,000	8,82,186	Appointment for a period of 5 years from January 1, 2008 to December 31, 2012. The contract is terminable by either party by giving 3 months notice.

## **5. Investors' Grievances Committee.**

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

i) Dr. G. Goswami – Chairman (Independent non-executive Director)

ii) Mr. B. Wadhwa – Member (Promoter non-executive Director)

During the financial year ended 31<sup>st</sup> March, 2011, one Investors' Grievances Committee meeting was held on 14<sup>th</sup> February, 2011.

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

- a) Number of complaints received from Stock Exchange/SEBI – NIL
- b) Number of complaints non-resolved/non-action taken – NIL
- c) Number of pending share transfer as on 31<sup>st</sup> March, 2011 – NIL

Investors' grievances are resolved expeditiously.

Mr. B.K. Chowdhury Company Secretary has been designated as Compliance Officer.

**6. General Body Meeting:**

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

Financial Year	Location of Meeting	Date	Time
2007-2008	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani Kolkata-700 017	29 <sup>th</sup> July, 2008	10.00 A.M.
2008-2009	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani Kolkata-700 017	31 <sup>st</sup> July, 2009	2.00 P.M.
2009-2010	'Bharatiya Bhasha Parishad' 36A, Shakespeare Sarani Kolkata-700 017	29 <sup>th</sup> September, 2010	10.30 A.M

No Special Resolution was passed in the previous three Annual General Meeting.

**7. Subsidiary:**

The Company has non-listed Indian Subsidiary Companies i.e. Champdany Constructions Ltd., Landale & Clark Ltd., West Bengal Multifiber Jute Park Ltd and AIC Properties Ltd. These are not material subsidiaries.

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

**8. Disclosures:**

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its management & their relatives etc. that may have potential conflict with the interest of the Company at large.  
None.
- The material financial and commercial transactions where persons in management have personal interest, exclusively relate to transactions involving Key Management Personnel forming part of the disclosure on related parties referred to in Note No. 16 in Schedule "17" to Annual Accounts, which were reported to Board of Directors. The Register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for approval.

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

**9. Means of Communication:**

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

**10. General Shareholders' information :**

a) **AGM date, time and venue:**

Annual General Meeting is to be held on August 13, 2011 at 11.30 A.M. at the Auditorium of Bengal National Chamber of Commerce & Industry, 1st Floor, 23, Sir R. N. Mukherjee Road, Kolkata - 700 001

b) **Financial Calendar:**

Financial year: 1<sup>st</sup> April to 31<sup>st</sup> March.

Unaudited 1 <sup>st</sup> quarter results	: Middle of August
Unaudited 2 <sup>nd</sup> quarter results	: Middle of November
Unaudited 3 <sup>rd</sup> quarter results	: Middle of February
Audited Annual Results	: End May

c) **Book Closure period:** From August 05, 2011 to August 13, 2011, both days inclusive.

d) **Dividend payment date :** Not Applicable

e) **Listing on Stock Exchange.**

The Company's Equity shares are listed on The Calcutta Stock Exchange Limited, Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. Annual Listing fees as prescribed have been paid to the Stock Exchanges for the year 2011-2012.

f) **Scrip Code**

Kolkata Stock Exchange

Bombay Stock Exchange

National Stock Exchange

011001

532806

AICHAMP

g) **Stock price data:**

Month	BSE		NSE	
	High	Low	High	Low
April, 2010	29.60	25.00	31.65	24.80
May, 2010	32.00	28.60	33.95	29.00
June, 2010	37.05	28.25	36.45	28.25
July, 2010	37.85	33.00	39.00	31.50
August, 2010	46.70	36.70	49.30	37.00
September, 2010	46.50	38.90	48.00	37.50
October, 2010	41.35	37.30	43.00	36.00
November, 2010	43.55	34.00	46.00	33.80
December, 2010	37.85	32.55	37.40	31.50
January, 2011	37.25	28.60	37.80	28.60
February, 2011	28.70	22.70	29.90	22.05
March, 2011	28.35	23.50	28.70	23.25

h) **Registrar and Share Transfer Agents:**

The Company has appointed MCS Limited having its office at 77/2A, Hazra Road, Ground Floor, Kolkata – 700 029 as Registrar for both demat and physical segment.

i) **Share Transfer System:**

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

j) **Distribution of Shareholding as on 31st March, 2011:**

Group of Shares	Equity			% of Total Shares
	No. of Share-holders	% age	No. of Shares held	
1 to 500	2760	88.55	235223	1.04
501 to 1000	166	5.33	113720	0.51
1001 to 2000	87	2.79	124708	0.55
2001 to 3000	26	0.83	67152	0.30
3001 to 4000	14	0.45	47673	0.21
4001 to 5000	5	0.16	23175	0.10
5001 to 10000	12	0.38	81474	0.36
10001 to 50000	8	0.26	158613	0.71
50001 to 100000	7	0.22	517803	2.30
100001 and above	32	1.03	21163459	93.92
<b>GRAND TOTAL</b>	<b>3117</b>	<b>100.00</b>	<b>22533000</b>	<b>100.00</b>

Group of Shares	2% Preference Share				7% Preference Share			
	No. of Share-holders	% age	No. of Shares held	% of Total Shares	No. of Share-holders	% age	No. of Shares held	% of Total Shares
1 to 500	66	61.11	11510	0.10	-	-	-	-
501 to 1000	7	6.48	6532	0.05	-	-	-	-
1001 to 2000	6	5.55	8763	0.07	-	-	-	-
2001 to 3000	1	0.93	2700	0.02	-	-	-	-
3001 to 4000	4	3.70	13600	0.11	-	-	-	-
4001 to 5000	1	0.93	5000	0.04	-	-	-	-
5001 to 10000	1	0.93	10000	0.08	-	-	-	-
10001 to 50000	2	1.85	44932	0.36	-	-	-	-
50001 to 100000	2	1.85	141674	1.14	-	-	-	-
100001 and above	18	16.67	12169642	98.03	7	100.00	2200000	100.00
<b>GRAND TOTAL</b>	<b>108</b>	<b>100.00</b>	<b>12414353</b>	<b>100.00</b>	<b>7</b>	<b>100.00</b>	<b>2200000</b>	<b>100.00</b>

**K) Categories of Shareholders as on March 31, 2011**

Particulars	Equity			2% Preference shares			7% Preference Shares		
	No. of Holders	Holding/ Shares held	% to Capital	No. of Holders	Holding/ Shares held	% to Capital	No. of Holders	Holding/ Shares held	% to Capital
Promoters Group	38	9891943	43.90	21	9773156	78.72	7	2200000	100.00
Indian Financial Institutions/Banks	29	2751582	12.21	4	2558332	20.61	-	-	-
State Government	2	704	0.00	-	-	-	-	-	-
Insurance Companies	1	288	0.00	-	-	-	-	-	-
Foreign Institutional Investors	2	1332	0.01	-	-	-	-	-	-
Bodies Corporate	149	665939	2.96	12	6902	0.06	-	-	-
NRI	40	4500	0.02	-	-	-	-	-	-
Foreign Bodies Corporate	2	8533332	37.87	-	-	-	-	-	-
Individual & others	2854	683380	3.03	71	75963	0.61	-	-	-
<b>Total</b>	<b>3117</b>	<b>22533000</b>	<b>100.00</b>	<b>108</b>	<b>12414353</b>	<b>100.00</b>	<b>7</b>	<b>2200000</b>	<b>100.00</b>

**l) Dematerialization of shares**

As on 31st March, 2011, 41.10% of total holding of Equity Shares and 73.91% of total holding of 2% Preference Shares have been dematerialised.

**m) ISIN allotted by NSDL/CDSL :**

INE 768E01024 for Equity Shares and INE768E04010 for 2% Preference Shares.

**n) Plant Location :**

As appearing on the first page of Annual Report

o) **Investors' Correspondence :**

For assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividends and any other queries relating to shares, investors may write to: Share Department, Al Champdany Industries Limited, 25, Princep Street, Kolkata-700 072; Telephone (033) 2237 7880 to 85; Fax: (033) 2225 0221, 2236 3754 or Company's Registrar and Share Transfer Agent M/s MCS Limited, 77/2A, Hazra Road, Ground Floor, Kolkata – 700 029, Telephone: (033) 2454-1892-93, Fax (033) 2454 –1961, Shareholders, holding shares in electronic mode, should address all their correspondences to their respective Depository Participant.

p) **The Investors Education and Protection Fund :**

The shareholders and other stakeholders are hereby informed that pursuant to provisions of Section 205A(5) of the companies Act, 1956, all dividend remaining unpaid/unclaimed for a period of 7 years from the date they became due for payment will have to be transferred to the Investors Education and Protection Fund (IEPF) set up by the Central Government. Following table gives information relating to such unclaimed dividend and the dates when due for transfer to IEPF:

	Date of payment of dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
<b><u>Equity.</u></b>			
Year ended			
31 <sup>st</sup> March, 2004 *	31 <sup>st</sup> August, 2004	30 <sup>th</sup> August, 2011	29 <sup>th</sup> September, 2011
31 <sup>st</sup> March, 2005 & 31 <sup>st</sup> March, 2006	26 <sup>th</sup> September, 2006	25 <sup>th</sup> September, 2013	24 <sup>th</sup> October, 2013
31 <sup>st</sup> March, 2007	1 <sup>st</sup> September, 2007	31 <sup>st</sup> August, 2014	30 <sup>th</sup> September, 2014
31 <sup>st</sup> March, 2008	30 <sup>th</sup> July, 2008	29 <sup>th</sup> July, 2015	28 <sup>th</sup> August, 2015
<b><u>Preference.</u></b>			
Period ended			
31.12.2005	16 <sup>th</sup> January 2006	15 <sup>th</sup> January 2013	14 <sup>th</sup> February 2013

\* Dividend declared by erstwhile The Champdany Industries Ltd before merger in this Company.

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

The company has already transferred to the IEPF unpaid/unclaimed dividend for the financial year ended 31<sup>st</sup> March, 2003 which remained unpaid/unclaimed for a period of 7 years from the date they became due.

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

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

r) **Auditors' certificate on Corporate Governance:**

As required under clause 49 of the Listing Agreement, the Auditors certificate on compliance of the Corporate Governance norms is annexed to the Director's Report.

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

The Company's Code of Conduct, as adopted by the Board of Directors, is applicable to all Directors, Senior Management of the Company. All Directors and Senior Management of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2011.

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

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

12 **Mandatory and non-mandatory requirements:**

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

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

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

The Company is maintaining Chairman's Office for a non-executive Chairman. The Company has not adopted non-mandatory suggestions relating to a postal ballot system (except where compulsory under the Companies Act, 1956), sending six-monthly information to each household of shareholders and to training of Board members, tenure of independent Directors on the Board and whistle blower policy etc.

The above report has been placed before the Board of Directors Meeting held on May 30, 2011 and the same was approved.

For AI Champdany Industries Limited

Kolkata

Dated: May 30, 2011

B. Wadhwa }  
N. Pujara } Director

**Information as per Section 217 (1)(e) read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.**

**A. CONSERVATION OF ENERGY**

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

a) Replacement of Conventional Fluorescent lamps with Light Emeidie Diode (LED) type lamp fittings. b) Replacing in a phased manner of High Power Sodium Vapour Lamps by Metal Halide Lamps. c) Mounting of spinning motors outside machine frame. d) Monitoring of Motor Load and Temperature on regular basis to prevent breakdown. e) Optimizing machine speed commensurate with productivity. f) Putting variable frequency with driving looms. g) Regular checking and maintenance of steam pipes, valves, steam traps to reduce losses. h) Continuous Monitoring of system voltage and power factor to minimize losses, replacement of old non-efficient electric motors by energy efficient motors, installation of energy efficient light fittings and luminaries. i) Taking care for maximum utilization of energy and to reduce the energy consumption, Capacitors have been installed in every department to improve power factor and always try to maintain to 99% to reduce losses. All the Motors, Electrical & Electronics equipments and machine parts are regularly checked and maintained to reduce losses.

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

**"FORM A"**

		Current year	Previous year
<b>a) POWER AND FUEL CONSUMPTION</b>			
<b>i) ELECTRICITY</b>			
a) Purchased Units (KWH)		3,02,64,233	2,46,05,245
Total Amount (Rs. in lacs)		1679.97	1194.57
Rate / Unit (Rs.)		5.55	4.85
b) Own Generation through Diesel Generator (Units)		452179	818963
Units per liter of Oil		2.94	3.08
Cost / Unit (Rs.)		13.37	10.80
<b>ii) COAL</b>			
(B grade used for generation of steam in boiler)			
Quantity (M. Ton.)		881	494
Total Cost (Rs. in lacs)		40.96	23.42
Average Rate (Rs.)		4647	4737
<b>b) CONSUMPTION PER UNIT OF PRODUCTION</b>			
<u>Electricity (KWH/MT)</u>			
Jute/Jute diversified Products		556	522
Flax Products		3690	4433
<u>Coal per ton of Production (M.Ton)</u>			
Jute/Jute diversified Products		0.02	0.01
Flax Products		-	-
<u>Production</u>			
Jute & Jute Diversified Products		51860	45170
Flax Product		507	416

**"FORM B"**

**B. TECHNOLOGY ABSORPTION**

**Research and Development (R & D) :** R&D Projects are being pursued in house & in conjunction with IJIRA for development of value added items having combinations of jute blended with other natural and man made fibre and improvement of end products including linen yarn.

**Benefits derived as a results of the above R&D and future plan of action:** Technology absorption, adaptation and innovation – a) By taking out Motor from Machine to outside Energy saving is 20 units per day per frame. b) Motor will remain cool, comparatively clean, wear & tear of Motor will be decreased and most important fire hazards will be eliminated. c) Consumption of Bearing will be reduced considerably for spinning section. Benefits are expected to accrue in terms of value addition, cost optimization, better turnaround improvement of quality and serviceability.

**Technology absorption, adaptation and innovation, efforts in brief made towards technology absorption and innovation:** Continued assistance being sought for technology transfers and up-gradation from developed countries for perpetual improvement of existing products and developments of newer products. The Company had adopted technology of fine yarn and soil saver; further improvements are anticipated in development of HCF Food

Grade jute products.

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

**Details of imported technology :** No technology has been imported during the year.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO : Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans:**

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

**Total foreign exchange used and earned (Rs. in lacs)**

	Current Year	Previous Year
Used :	5,081.70	3,203.25
Earned :	9,560.37	4,688.16

**On Behalf of the Board**

Place : Kolkata  
Dated: May 30, 2011

B. Wadhwa }  
N. Pujara } Director

**STATEMENTS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**  
**Relating to Subsidiary Companies**

1. Name of Subsidiary Company	Champdany Constructions Limited	Landale & Clark Limited	West Bengal Multifiber Jute Park Limited	AIC Properties Limited
2. The financial year / period ended on	31 March 2011	31 March 2011	31 March 2011	31 March 2011
3. Date from which it became subsidiary	10 October 2004	28 February 1947	31 March 2009	27 November 2009
4. Number of shares of the subsidiary Company held by the holding Company on 31 <sup>st</sup> March 2011	8101959 Equity Shares of Rs. 10 each	20000 Equity Shares of Rs. 100 each	45000 Equity Shares of Rs. 10 each	50000 Equity Shares of Rs. 10 each
5. Extent of shareholding: Equity Shares	100%	100%	90%	100%
6. Net aggregate of profit/(loss) of the subsidiary Company for the financial year so far as it concerns the member of the holding company				
a) Dealt with in the accounts of the holding company for the year ended 31 <sup>st</sup> March 2011	—	—	—	—
b) Not dealt in the accounts of the holding Company for				
i) the current financial year Profit/(loss) (in Rupees)	(2182703)	116376	(74444)	(196275)
ii) the previous financial years Profit/(loss) (in Rupees)	1898201	(1414396)	(82229)	1397
7. Change of interest of holding Company in subsidiary between the end of the financial year of the subsidiary and that of holding Company	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Kolkata: May 30, 2011

B. K. Chowdhury  
Senior General Manager (Accounts) &  
Company Secretary

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

**AUDITORS' REPORT TO THE MEMBERS OF  
AI CHAMPDANY INDUSTRIES LIMITED**

- A. We have audited the attached Balance Sheet of AI Champdany Industries Limited as at 31 March 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- B. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- C. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order (to the extent applicable to the company).
- D. Further to our comments in the Annexure referred to above, we report that: -
- i) the year's profit, and consequently, the net asset position at the end of the year might have been affected by the following, the net impact of which cannot at this stage be ascertained:
    - i) *non ascertainment of profit / loss on outstanding commodity hedging materials as at the end of the year, referred to note 24 in Schedule-17,*
    - ii) *pending assessment of losses in respect of stocks of finished goods damaged by fire, no adjustment has been made to the accounts as referred to in note 25 of Schedule 17,*
    - iii) *non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1.4.1997 to 31.03.2007 in respect of one unit of the company as referred to in note 26 in Schedule-17,\**
    - iv) *recognition of remission of taxes by Sales Tax Authority in the accounts as referred to in Note 27(a) in Schedule-17,\**
    - v) *non-ascertainment/provision of possible loss which may arise for non-recovery of interest free loans and advances in the nature of loans as referred to in note 27(b) in Schedule 17\**
    - vi) *non provision of possible losses arising from diminution in the year end carrying cost of investment with Landale & Clark Ltd as referred to in Note 27(c) in Schedule-17\**
  - \*Relate to erstwhile Anglo India Jute Mills Company Limited.
  - II) subject to our observations set out in para D(I) above, we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit ;
  - III) further subject to our observations set out in para D(I) above, in our opinion, proper books of accounts as required by law have been maintained by the Company, so far as appears from our examination of those books ;
  - IV) the Balance Sheet, Profit & Loss Account and Cash Flow dealt with by this report are in agreement with the books of account ;
  - V) on the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
  - VI) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except D(I)(i), D(I)(ii), D(I)(iii) and D(I)(vi) above ;
  - VII) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and subject to our foregoing observations in para D(I) give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31 March, 2011 and
    - (b) in the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date, and

- (c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

D. P. Sen & Co  
Chartered Accountants

S. K. NAYAK  
Partner  
Membership No. 58711

Kolkata,  
Dated: May 30, 2011

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## ANNEXURE TO AUDITOR'S REPORT

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

1. (a) At Jagatdal units proper records showing full particulars including quantitative details and situation of fixed assets have been maintained from the year 1970-1971. As explained to us that the Company has also identified fixed assets acquired in earlier periods, upto the year 1962-1963, and has built up records with aggregate value showing quantitative details and locations of the same but not the individual cost, and consequently such aggregate values could not be reconciled with the values of individual items acquired prior to 1970-1971 and recorded in the fixed assets register.  
At other units the company has maintained proper records showing full particulars including original and revalued costs, quantitative details and situation of fixed assets except for certain items of fixed assets acquired prior to 1 April 1962, which have been recorded on the basis of physical verification conducted during the year ended 31 March 1978 and values as estimated by the Management in the absence of original cost.
- (b) We have been informed that the Fixed Assets of the Company other than certain items of underground electrical installations have been physically verified during the year by the management, and in respect of items for which proper records have been maintained, no material discrepancies have been noticed.
- (c) No substantial part of the fixed assets has been disposed off during the year.
2. (a) Inventory of the Company at all its locations have been physically verified by the management at reasonable intervals during the year. In the case of stocks lying with third parties, certificates confirming stocks held by them have been received. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion the procedures for verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion the inventory records are being properly maintained by the Company. Discrepancies between the physical and book stocks, which were not significant, have been properly dealt with in the books of accounts.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, clauses 4(iii)(b) to (d) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, taking into consideration the explanation that some purchases are special in nature for which comparative quotations from suitable alternative sources is not available, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system.
5. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act 1956 have been duly entered in the register required to be maintained in pursuance of Sec. 301 of the Companies Act 1956. The transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices of such goods, or prices of which transactions for similar items have been made with other parties.
6. The Company has not accepted any deposits from the public falling within the purview of Section 58A and 58AA or any other relevant provisions of the Act.
7. The Company has an internal audit system commensurate with its size and nature of its business.
8. Cost records and accounts as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, prima-facie is being maintained by the company. Though we have examined such books and records, we have not made any detailed examination with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us and as per the records of the company examined by us, we are of the opinion that the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, custom duty, cess, service tax and any other material statutory dues with the appropriate authorities. There are no outstanding undisputed amounts in respect of such statutory dues as at 31st March, 2011 for a period of more than six months from the date they became payable. As explained to us the company has no over due liability towards investor education and protection fund, wealth tax and excise duty.
- (b) The disputed statutory dues have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount (Rs Lakhs)	Forum where the dispute is pending
Bhatpara Municipality	Municipal Taxes	88.34	REVIEW BOARD
	Land Revenue	82.46	
ESI Act	ESI dues	260.65	ESI COURT
Income Tax Act, 1961	Income Tax	75.32	CIT (A)
Central Sales Tax 1956 & West Bengal Sales Tax Act, 1994	Sales Tax	14.38	ACCT
		0.52	HIGH COURT
		4.68	DCCT
		568.60	WBCTA & RB
		440.49	SJCCT

10. The company has no accumulated loss and has not incurred any cash loss during the financial year covered by our audit and the immediately preceding financial year.
11. According to explanations and information obtained and based on our examination of the records the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. On the basis of our examination of the books and records of the company and according to information and explanations given to us the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. No provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are applicable to the company.
14. The company is not dealing or trading in shares, securities, debentures and other investments and thus the provisions of clause 4(xiv) of the Order are not applicable to the company.
15. The company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
16. According to information and explanations obtained and on the basis of examination of the books and records, the company has taken term loan during the financial year 2010-2011 and applied for the purpose for which the loan was obtained from Bank.
17. An overall examination of the balance sheet of the company and as per information and explanations obtained, no funds raised on short-term basis have been used for long-term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures during the year and neither does it have any debentures outstanding at the year-end.
20. The company has not raised any money by way of public issue during the year.
21. While conducting an examination of the books and records of the company in accordance with the generally accepted auditing practices in India, and according to all information and explanations given to us, we have not come across any fraud on or by the company, noticed or reported during the year.

For D. P. Sen & Co  
Chartered Accountants

S. K. NAYAK  
Partner  
Membership No.58711

Kolkata, Dated: May 30, 2011

# AI CHAMPDANY INDUSTRIES LIMITED

BALANCE SHEET AS AT 31 MARCH 2011

Rupees

	Schedule	As at 31 March			
		2011		2010	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds :</b>					
Share Capital	1	196,736,765	1,093,854,046	196,736,765	1,041,794,698
Reserves & Surplus	2	897,117,281		845,057,933	
<b>Loan Funds :</b>					
Secured loans	3	1,034,654,203	1,066,555,445 2,160,409,491	916,698,639	948,599,881 1,990,394,579
Unsecured Loans	4	31,901,242		31,901,242	
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block		3,027,434,197	1,071,818,250 89,459,141	2,929,310,318	1,033,910,087 94,592,181
Less : Depreciation		2,068,935,038		2,009,292,720	
Net Block		958,499,159		920,017,598	
Capital Work In Progress		113,319,091		113,892,489	
	5				
<b>Investments</b>	6				
<b>Current Assets, Loans And Advances :</b>					
Inventories	7	1,412,285,965	1,018,389,097 (19,256,997)	1,280,078,574	881,114,639 (19,222,328)
Sundry Debtors	8	148,084,039		80,399,985	
Cash and Bank balances	9	19,945,390		15,184,146	
Loans and Advances	10	238,578,708		260,782,010	
		1,818,894,102		1,636,444,715	
<b>Less : Current Liabilities and Provisions :</b>					
Current Liabilities	11	779,425,361	2,160,409,491	694,103,730	1,990,394,579
Provisions	12	21,079,644		61,226,346	
		800,505,005		755,330,076	
<b>Net Current Assets</b>					
<b>Deferred Tax Liability</b>					
<b>Notes to Accounts</b>	17				

In terms of our report of even date attached  
D. P. Sen & Co.  
Chartered Accountants

S. K. Nayak  
Partner  
Membership No. 58711  
Kolkata, 30th May, 2011

B. K. Chowdhury  
Senior General Manager (Accounts) &  
Company Secretary

For and On behalf of the Board

B. Wadhwa }  
N. Pujara } Directors

Kolkata, 30th May, 2011

**AI CHAMPDANY INDUSTRIES LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011**

**Rupees**

	Schedule	2010-11		2009-10	
<b>INCOME</b>					
Sales and Related Income	13		<b>3,413,304,589</b>		2,447,627,524
Income from other sources	14		<b>35,149,135</b>		13,747,740
			<b>3,448,453,724</b>		2,461,375,264
<b>EXPENDITURE</b>					
Operating Expenses	15		<b>3,557,539,791</b>		2,403,805,877
(Increase)/Decrease in stocks of finished goods and work-in-process			<b>(238,311,910)</b>		(102,576,162)
Depreciation	5	<b>82,403,680</b>		86,801,190	
Less : Depreciation on amount added on Revaluation		<b>(8,676,302)</b>		(9,557,499)	
Recoupment from Capital Reserves		<b>(8,449,000)</b>		(343,058)	
			<b>65,278,378</b>		76,900,633
Interest	16		<b>61,675,824</b>		67,621,053
			<b>3,446,182,083</b>		2,445,751,401
<b>Profit before exceptional items</b>			<b>2,271,641</b>		15,623,863
Exceptional items(Net)			<b>(93,455)</b>		(8,336,451)
<b>Profit before taxation</b>			<b>2,178,186</b>		7,287,412
Provision for taxation					
- Current Tax		<b>630,000</b>		1,484,000	
- Deferred Tax (Assets)		<b>34,669</b>		(2,396,332)	
			<b>664,669</b>		(912,332)
<b>Profit after taxation for the year</b>			<b>1,513,517</b>		8,199,744
Balance brought forward from previous year			<b>1,522,393</b>		45,782,735
Adjustment relating to earlier years (Taxes)			<b>(1,598,535)</b>		(52,460,086)
<b>Balance carried to Balance Sheet</b>			<b>1,437,375</b>		1,522,393
Earnings per share face value of Rs 5 each (Basic & diluted)			<b>0.07</b>		<b>0.36</b>
<b>Notes to Accounts</b>	17				

In terms of our report of even date attached D. P. Sen & Co. Chartered Accountants  S. K. Nayak Partner Membership No. 58711 Kolkata, 30th May, 2011			B. K. Chowdhury Senior General Manager (Accounts) & Company Secretary			For and On behalf of the Board B. Wadhwa } N. Pujara } Directors  Kolkata, 30th May, 2011		
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**AI CHAMPDANY INDUSTRIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2011**

**Rupees**

	2010-11		2009-10
<b>A. Cash flow from Operating activities :</b>			
Profit before Taxation		2,178,186	7,287,412
Add:- Adjustments for :			
Depreciation	65,278,378		76,900,633
Dividend from Investments	(180,100)		(133,887)
Interest	61,675,824		67,621,053
Surplus (Net) on disposal of Fixed Assets	(20,585,783)		(46,944,924)
Loss on sale of Investment	837,004		-
		107,025,323	97,442,875
Operating Profit before Working Capital Changes		109,203,509	104,730,287
Add/(Less):- Adjustments for :			
(Increase)/Decrease in Inventories	(132,207,391)		(209,184,840)
(Increase)/Decrease in Trade and Other Receivables	(45,480,752)		175,841,558
(Decrease)/Increase in Trade Payables	43,782,993		18,730,433
		(133,905,150)	(14,612,849)
Cash Generated from Operations :		(24,701,641)	90,117,438
Less: Interest Paid	(62,158,405)		(68,207,440)
Direct Taxes paid	(543,819)		(14,266,072)
		(62,702,224)	(82,473,512)
Net Cash from / (used in) Operating Activities		(87,403,865)	7,643,926
<b>B. Cash flow from Investing Activities :</b>			
Purchase of Fixed Assets	(61,659,507)		(69,944,575)
Sale of Fixed Assets	20,603,405		50,043,269
Purchase of Investments	-		(500,000)
Sale of Investment	2,641,746		-
Interest Received	232,095		470,793
Dividend Received	180,100		133,887
Capital Subsidy Received	12,254,000		-
Net Cash from / (used in) Investing Activities		(25,748,161)	(19,796,626)
<b>C. Cash flow from Financing Activities :</b>			
Proceeds from Share Capital	-		62,071,765
Proceeds from Loans	450,000,000		125,000,000
Repayments of Loans	(214,368,243)		(116,721,180)
Increase / (Decrease) in Bank Borrowings	(117,676,193)		(59,703,006)
Dividend Paid	(42,134)		(1,583,585)
Tax on Dividend Paid	-		(261,723)
Repayment of Preference Shares	(160)		(2,130)
Payment to Fractional Share Holders	-		(45)
Net Cash from / (used in ) Financing Activities		117,913,270	8,800,096
Net increase / (decrease) in Cash and Cash Equivalents (A-B-C)		4,761,244	(3,352,604)
Cash and Cash Equivalents as at 1 April 2010		15,184,146	18,536,750
Cash and Cash Equivalents as at 31 March 2011		19,945,390	15,184,146
<b>In terms of our report of even date attached</b>		<b>For and On behalf of the Board</b>	
<b>D.P. Sen &amp; Co.</b>		<b>B. Wadhwa } Directors</b> <b>N. Pujara }</b>	
<b>Chartered Accountants</b>			
<b>S.K. Nayak</b>	<b>B.K. Chowdhury</b>	<b>Kolkata, 30th May 2011</b>	
<b>Partner</b>	<b>Senior General Manager (Accounts) &amp;</b>		
<b>Membership No. 58711</b>	<b>Company Secretary</b>		
<b>Kolkata, 30th May 2011</b>			

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 1	As at 31 March			
	2011		2010	
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
40,000,000 (40,000,000) Equity shares of Rs. 5 each	200,000,000		200,000,000	
3,000,000 (3,000,000) 7% Cumulative Preference shares of Rs. 10 each	30,000,000		30,000,000	
24,000,000 (24,000,000) 2% Cumulative Preference shares of Rs 5 each	120,000,000	350,000,000	120,000,000	350,000,000
<b>Issued, Subscribed and Paid up</b>				
22,533,000 (22,533,000) Equity shares of Rs.5 each fully paid up *	112,665,000		112,665,000	
2,200,000 (2,200,000) 7% Cumulative Preference Shares of Rs.10 each fully paid up **	22,000,000		22,000,000	
12,414,353 (12,414,353) Non Convertible 2% Cumulative Preference shares of Rs. 5/- each fully paid up. ***	62,071,765	196,736,765	62,071,765	196,736,765
		196,736,765		196,736,765
Notes :				
* Out of the above 1,85,002 Equity shares were allotted as fully paid up bonus Shares and 20,250,048 Equity Shares were allotted as fully paid up shares on amalgamation of The Champdany Industries Ltd with the company, 484 shares were cancelled due to cross holding.				
** The Company has allotted 22,00,000 7% Cumulative Preference Shares of Rs. 10/- each on 25.09.04. which are redeemable at par on or before the expiring of twenty years from the date of allotment.				
***The Company has allotted 12,414,353 non convertible 2% Cumulative Preference Shares of Rs 5/- each on 30.03.2010 which are redeemable at par on or before fifteen years from the date of allotment with a locking period of three years.				
(Figure in brackets related to previous year)				
<b>SCHEDULE 2</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Capital Reserves</b>				
Opening Balance	2,693,618		3,036,676	
Add : Received during the year	12,254,000		-	
Less : Recoupment of depreciation	(8,449,000)	6,498,618	(343,058)	2,693,618
<b>Capital Redemption Reserve</b>		7,500,000		7,500,000
<b>Investment Fluctuation Reserve</b>		-		1,654,290
<b>Securities Premium Account</b>		246,400,000		246,400,000
<b>Revaluation Reserve</b>				
Opening Balance	295,669,232		305,226,731	
Less: Amount transferred to Profit & Loss Account:				
- Depreciation for the year on amount added on revaluation	(8,676,302)		(9,557,499)	
Add : - Revaluation during the year	58,669,958		-	
<b>General Reserve</b>		345,662,888		295,669,232
		288,765,947		288,765,947
<b>Deferred Tax Reserve</b>		852,453		852,453
<b>Profit &amp; Loss Account</b>		1,437,375		1,522,393
		897,117,281		845,057,933

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 3	As at 31 March			
	2011		2010	
<b>SECURED LOANS</b>				
<b>From Banks/ Financial Institution</b>				
Cash Credit / Packing Credit Accounts*	485,718,914		511,395,107	
Working Capital Demand Loan*	-		92,000,000	
Corporate Term Loan From Bank**	150,000,000		-	
Term Loan From Bank***	270,000,000	905,718,914	100,000,000	703,395,107
<b>From Financial Institution</b>				
Term Loans****		128,935,289		213,303,532
		1,034,654,203		916,698,639

**Notes:**

\* Secured by hypothecation on stocks of raw material, stock -in-process, stores, manufactured goods, book debts, bill, moveable plant & machinery and other current assets and also mortgage on second charge basis by deposit of title deeds by constructive delivery with Exim Bank, Exim Bank acting as agent of the consortium of banks, all documents of title evidences, deeds and writings in order to create a security on the Company's immovable properties together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth, and also by way of second charge on 100% shareholding of Champdany Constructions Ltd. a wholly owned subsidiary of the company.

\*\*Secured by first charge over the fixed assets of the company ranking pari-passu with the Exim Bank.

\*\*\* Secured by deposit of title deeds of the property owned by other Companies.

\*\*\*\* Secured by first charge on the entire fixed assets of the company, present and future and also pledge of 100% shareholding of Champdany Constructions Ltd, a wholly owned subsidiary of the Company in favour of Exim Bank and second pari- passu charge on the entire current assets of the company, present and future.

SCHEDULE 4				
<b>UNSECURED LOANS</b>				
From Bodies Corporate		29,000,000		29,000,000
Interest accrued and due		2,901,242		2,901,242
		31,901,242		31,901,242

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS

### SCHEDULE 5 : FIXED ASSETS

Rupees

Description	GROSS BLOCK AT COST / VALUATION					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1 April 2010	Increase in value on revaluation	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2011	As at 1 April 2010	For the year	On assets sold/adjusted during the year	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Freehold Land	260,221,688	52,156,785	-	-	312,378,473	-	-	-	-	312,378,473	260,221,688
Leasehold Land	19,733,819	-	-	-	19,733,819	2,748,396	224,481	-	2,972,877	16,760,942	16,985,423
Buildings	476,929,431	6,513,173	4,781,128	-	488,223,732	323,516,744	13,426,601	-	336,943,345	151,280,387	153,412,687
Plant & Machinery - General	2,054,563,984	-	54,962,320	22,778,984	2,086,747,320	1,585,626,251	65,573,236	22,761,362	1,628,438,125	458,309,195	468,937,733
- Electrical	82,966,691	-	1,998,395	-	84,965,086	68,096,984	1,791,176	-	69,888,160	15,076,926	14,869,707
Motor Vehicles	6,680,148	-	234,400	-	6,914,548	5,995,334	211,823	-	6,207,157	707,391	684,814
Furniture, Fittings and Office Equipments	28,214,557	-	256,662	-	28,471,219	23,309,011	1,176,363	-	24,485,374	3,985,845	4,905,546
Sub - total	2,929,310,318	58,669,958	62,232,905	22,778,984	3,027,434,197	2,009,292,720	82,403,680	22,761,362	2,068,935,038	958,499,159	920,017,598
Capital Work-in- Progress					113,319,091					113,319,091	113,892,489
Total					3,140,753,288					1,071,818,250	1,033,910,087
As at 31 March 2010	2,823,073,304	-	109,680,434	3,443,420	3,043,202,807	1,922,836,605	86,801,190	345,075	2,009,292,720	1,033,910,087	
Note: Free hold land and building of Beldanga unit has been revalued during the year.											

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS

**Rupees**

SCHEDULE 6	As at 31 March	
	2011	2010
<b>INVESTMENTS - Long Term</b>		
<b>- Trade (Quoted)</b>		
Woolcombers of India Limited, ( In liquidation)		
163,592 Equity shares of Rs, 10 each	1	1
<b>- Other than Trade</b>		
<b>In Government Securities :</b>		
National Savings Certificate (VIII) Issue	4,000	4,000
<b>In fully paid up shares and debentures</b>		
<b>Quoted:</b>		
Tata Global Beverages Limited. (Formerly known as Tata Tea Ltd.)		
4650 (2009-10; 465) Equity Shares of Re.1 (2009-10; Rs. 10) each	2,300	2,300
UCO Bank Limited.,		
15,000 Equity Shares of Rs. 10 each	449,250	449,250
Oil Country Tubular Limited,		
40,000 equity Shares of Rs. 10 each	878,000	878,000
Rama Newsprint and Paper Limited.		
10,000 Equity shares of Rs.10 each	588,000	588,000
Fresenius Kabi Oncology Ltd, (Formerly known as Dabur Pharma Limited)		
12,500 Equity Shares of Re. 1 each	625,000	625,000
Aptech Limited,		
10,300 Equity Shares of Rs. 10 each	366,680	366,680
	<b>2,909,230</b>	<b>2,909,230</b>
<b>Unquoted:</b>		
Woodlands Hospital & Medical Research Centre Limited,		
130 1/2% Debentures of Rs.100 each	13,000	13,000
Woodlands Hospital & Medical Research Centre Limited,		
23,000 non- redeemable 5% Registered Debenture Stock 1957	23,000	23,000
Wellington Jute Mills Employees' Consumers		
Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	2,500	2,500
Anglo India Employees		
Co-operative Stores Limited.		
250 "B" class shares of Rs.10 each	2,500	2,500
Naffar Chandra Jute Mills Limited.		
50,000 Equity Shares of Rs.10 each	10,000	10,000
Forfar Weavers Limited., U.K.		
Nil : (2009-10; 76,000) Equity Shares of STG pound 1 each	-	5,133,040
	<b>51,000</b>	<b>5,184,040</b>
<b>In Subsidiary Companies</b>		
Champdany Constructions Limited.		
81,01,959 Equity Shares of Rs.10 each	81,219,910	81,219,910
West Bengal Mulifiber Jute Park Ltd		
45,000 Equity Shares of Rs.10 each	450,000	450,000
Landale & Clark Limited,		
20,000 Equity Shares of Rs. 100 each	4,325,000	4,325,000
A I C Properties Ltd		
50,000 Equity Shares of Rs.10 each	500,000	500,000
	<b>89,459,141</b>	<b>94,592,181</b>
Notes: 1) Aggregate Market Value of the Quoted Shares Rs.74,07,763 (31.3.2010 Rs.88,59,870)		
2) Tata Global Beverage Ltd split the face value of equity share from Rs 10 to Re 1 each.		
3) Where Quotations are not available, cost has been considered as the market value.		

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 7	As at 31 March	
	2011	2010
<b>INVENTORIES</b>		
Stores and Spares	83,307,659	80,288,093
Raw Materials	244,625,867	353,749,952
Work-in-Process	180,335,457	114,297,390
Finished Goods	900,827,203	728,553,360
Others	3,189,779	3,189,779
	<b>1,412,285,965</b>	<b>1,280,078,574</b>
<b>SCHEDULE 8</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
Debtors over six months		
Considerd good	18,010,698	17,851,691
Debtors below six months	130,073,341	62,548,294
	<b>148,084,039</b>	<b>80,399,985</b>
<b>SCHEDULE 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	581,803	462,539
With Scheduled Banks:		
- In Current Accounts	841,829	927,219
- In Cash Credit Accounts	17,803,943	13,034,279
- In Unpaid Dividend Accounts	600,941	642,940
- In Redemption cum unpaid Dividend Account	104,817	105,112
- In Fractional Share Account	12,057	12,057
	<b>19,945,390</b>	<b>15,184,146</b>
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES (Unsecured and Considered Good)</b>		
Claims/Amount Receivable	153,963,701	176,072,247
Advances recoverable in cash or in kind or for value to be received	75,240,681	74,899,117
Balances with Customs, Excise, Port Trust etc.	1,795,672	2,473,414
Deposits	7,578,654	7,337,232
	<b>238,578,708</b>	<b>260,782,010</b>

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS

Rupees

SCHEDULE 11	As at 31 March			
	2011		2010	
<b>CURRENT LIABILITIES</b>				
Sundry Creditors & Other Liabilities				
- Dues of SSI Undertakings	-		-	
- Others *	765,472,621	765,472,621	681,888,462	681,888,462
Liability towards Investors Education and Protection Fund under section 205 C of the Companies Act, 1956 not due				
- Unpaid Dividends		649,328		691,462
Fractional Share Account		12,057		12,057
Redemption of Preference Share		56,430		56,590
Interest accrued but not due on loans		397,135		647,621
Statutory Liabilities		12,837,790		10,807,538
		779,425,361		694,103,730
* Rs.21,56,846 ( 31.3.2010 Rs. 2,096,665) as amount due to subsidiary Companies				
<b>SCHEDULE 12</b>				
<b>PROVISIONS</b>				
Gratuity		15,954,582		57,786,000
Provision For Taxation	46,775,910		44,658,889	
Less: Advances	41,650,848	5,125,062	41,218,543	3,440,346
		21,079,644		61,226,346
<b>SCHEDULE 13</b>				
	2010-11		2009-10	
<b>SALES AND RELATED INCOME</b>				
Sales And Related Income		3,407,334,534		2,447,449,191
Less: Excise Duty & Cess		24,970,215		21,422,727
		3,382,364,319		2,426,026,464
Export Incentive		30,940,270		21,601,060
		3,413,304,589		2,447,627,524
<b>SCHEDULE 14</b>				
<b>INCOME FROM OTHER SOURCES</b>				
Surplus on disposal of Fixed assets		20,585,783		35,928
Dividend from long term investments		180,100		133,887
Rent Received	5,756,006		6,920,227	
Less: Rent Paid	(2,834,616)	2,921,390	(3,439,803)	3,480,424
Miscellaneous Income		278,068		1,626,986
Exchange Difference		3,277,064		4,481,175
Liabilities no longer required written back		7,906,730		3,989,340
		35,149,135		13,747,740

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS

**Rupees**

SCHEDULE 15	2010-11		2009-10	
<b>OPERATING EXPENSES</b>				
<b>Employees' Remuneration and Benefits</b>				
Salaries, Wages and Bonus	676,218,777		493,024,876	
Contribution to Provident Funds and other Funds	73,861,949		78,946,302	
Workmen and Staff Welfare Expenses	7,370,744		7,095,422	
		757,451,470		579,066,600
<b>OTHER EXPENSES</b>				
Raw Materials Consumed		1,961,622,173		1,193,640,072
Purchase of goods		283,841,451		164,069,279
Export Freight		46,274,129		21,351,284
Power & Fuel		177,275,245		131,892,012
Stores Consumed		151,575,106		112,970,666
Discounting charges on Export Bills		3,865,307		3,128,671
Bank Charges		22,242,780		17,205,348
Insurance		6,552,105		7,259,966
Transport & Handling		91,408,834		94,673,642
Repairs - Plant & Machinery	777,167		1,054,505	
- Buildings	2,867,755		2,443,053	
- Others	336,708	3,981,630	506,479	4,004,037
Brokerage, Commission and				
Market Promotion Expenses		3,604,459		12,482,630
Rates & Taxes		3,593,854		3,715,385
Directors Fees		390,000		420,000
Auditors' Remunerations		330,900		330,900
Export Expenses		7,127,392		5,622,594
Processing Charges		30,448,131		29,389,005
Miscellaneous Expenses		43,479,435		30,457,292
Less: Amounts transferred to other accounts		(37,524,610)		(7,873,506)
		3,557,539,791		2,403,805,877
<b>SCHEDULE 16</b>				
<b>INTEREST</b>				
<b>Interest Charge</b>				
- On Fixed Loans	31,808,119		27,261,549	
- On Others	30,099,800	61,907,919	40,830,297	68,091,846
Less : Interest Income				
- On Loans & Deposits (Gross)*		(232,095)		(470,793)
<b>Interest (Net)</b>		61,675,824		67,621,053
* - Tax deducted at source :Rs.14,887 (2009-10 Rs.15,468)				

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE ACCOUNTS

### SCHEDULE - 17

#### **NOTES TO ACCOUNTS**

1. Significant Accounting Policies:

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

1.1. Accounting Convention:

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

1.2. Fixed Assets:

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

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

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

1.3. Depreciation:

(A) Depreciation on Fixed Assets have been provided for both on Straight line and Reducing balance method as hereunder. Method and rates consistently used for the purpose of depreciation charged for the year as follows:

1) Plant & Machinery & Electrical Installation

Unit at Jagatdal

(a) Straight Line Method

i) Certain specified items (included in electrical installation)

- Additions for the period 1.1.71 to 31.3.87 \* 5.25%

ii) Plant and Machinery and Electrical Installation (other than (i) above)

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

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

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

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

(b) Reducing Balance Method

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

Other Units

(i) Reducing Balance Method

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

(ii) Straight Line Method

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

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

2) Other assets on reducing balance Method

At rates prescribed in Schedule XIV of the Companies Act 1956

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

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

1.4. Investments :

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

1.5. Inventories:

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

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

1.6. Capital Subsidy :

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

1.7. Miscellaneous expenses :

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

1.8. Foreign Currency transactions :

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

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

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

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

Retirement benefits including gratuity are provided for in the Books of Accounts on the basis of actuarial valuation except one unit of the company, which has been treated on cash basis from 1997-98 to 2006-07. Such liability has been provided on the basis of valuation made by the Actuary in line with the parameters & requirement of AS 15 (Revised 2005) issued by the Institute of Chartered Accountants of India.

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

1.13. Revenue expenditure on Research & Development is charged to Profit & Loss Account of the year in which it is incurred.

1.14. Capital expenditure on Research & Development is shown as addition to Fixed Assets.

1.15. Insurance claims are recognised on receipt/assessment of related claim from Insurance Authorities.

1.16. Intangible Assets :

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

		Rs. in lacs		
		Year ended 31.03.11	Year ended 31.03.10	
2. Estimated amount of contract remaining to be executed on capital account not provided for		190.88	59.84	
3. Contingent liabilities in respect of:				
a)	Bank Guarantees:	1737.78	985.39	
b)	Bank Guarantees issued on pledged of shares by other companies	432.54	432.54	
c)	Claims for Income Tax, Wealth Tax Commercial Taxes not acknowledged as debt and under appeal	1103.98	889.29	
d)	Other claims not acknowledged as debt	431.46	349.99	
e)	Bills drawn on customers and discounted with banks and advances against collection	443.64	311.86	
4. Capacity & Production : The company manufactures jute / jute diversified Products & Flax Products and the relevant particulars thereof are as under:				
<u>Class of Goods</u>	<u>Units</u>	<u>Licensed Capacity (Refer note 1 below)</u>	<u>Installed Capacity (Refer note 2 below)</u>	<u>Actual Production (Refer note 3 below)</u>
Jute / Jute Diversified Products	MT	149,530 (149,530)	113,486 (113,486)	51860 (45,170)
	Sq Mtr.	15,34,128 (15,34,128)	14,06,390 (14,06,390)	Nil (Nil)
Flax Products	MT	1,454 (1,454)	1,235 (1,235)	507 (416)

**Notes:**

- (1) The Licensed Capacity of Wellington Jute Mills has been estimated by the Management based on the number of spindles licensed at the Mill. The Licensed Capacities in respect of the Export Oriented units, Shalimar unit, Flax unit and Carpet unit are in accordance with respective industrial licenses.  
Licensed capacity in case of mill at Jagatdal as per Jute Commissioner's letter no. Jute (T) 1/6(2)/77-78 dated 27.12.1977.
  - (2) Installed capacity in case of mill at Jagatdal has been certified by the company's Technical Expert (after considering sale of Lower Mill undertaking during 1986-87) and for other Units as certified by Directors and accepted by the Auditors.
  - (3) Excludes data for captive consumption.
  - (4) Figures on parenthesis represent data for 2009-10.
5. Sale of Jute / Jute diversified Products 52,898 MT, Rs.30,922.04 lacs (2009-10 – 47,790 MT, Rs.22,562.36 lacs), Sale of Flax Products 718 MT, Rs.2,319.82 lacs (2009-10 - 425 MT, Rs.1,073.68 lacs), Sale of Raw Jute - 2,027 MT, Rs.662.14 lacs (2009-10 – 3,327 MT, Rs.809.21 lacs) and Sale of Flax Fibre – 31 MT, Rs. 18.01 lacs (2009-10 - Nil MT, Rs. Nil).
  6. Jute Carpets / Jute diversified Products have been treated as belonging to the same class as Jute / Jute Diversified Products and accordingly, information relating to Turnover, Capacities and Production of Jute Carpets / Jute diversified Products have been included in note 4 and 5 respectively.
  7. Stock of Finished goods of Jute / jute diversified Products (Packed/ unpacked) Opening Stock 10,615 MT, Rs. 5,364.32 lacs (2009-10 – 11,212 MT, Rs. 5,019.91 lacs) Closing Stock – 12,986 MT, Rs.7,763.78 lacs (2009-10 – 10,615 MT, Rs.5,364.32 lacs). The closing stock of finished goods has been arrived at after adjusting 986 MT of fire damage jute goods for which claim has been received during the year.  
Stock of Finished goods of Flax Products (Packed/ unpacked) Opening Stock 589 MT, Rs. 1,921.21 lacs (2009-10 – 598 MT, Rs. 1,572.04 lacs) Closing Stock – 378 MT, Rs.1,244.49 lacs (2009-10 – 589 MT, Rs.1,921.21 lacs).

		<u>Jute/ Jute diversified Products</u>		<u>Flax Products</u>	
		<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>	<u>Year ended</u>
		<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
		<u>Rs. in lacs</u>			
8. C.I.F. Value of imports during the year					
a) Raw Material	4033.07	2512.63	934.12	541.52	
b) Component of Stores & Spares parts	9.73	12.21	0.75	4.35	
c) Capital Goods	-	-	-	-	

		<u>Rs. in lacs</u>	
		<u>Year ended</u>	<u>Year ended</u>
		<u>31.03.11</u>	<u>31.03.10</u>
9. Expenditure in Foreign Currency - other matter		155.01	175.88
10. Earnings in Foreign Exchange (Export on FOB basis)			
(a) Jute/Jute diversified Products	8962.53	4 370.10	
(b) Flax Products	120.80	125.21	
	<u>9083.33</u>	<u>4495.31</u>	

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

		<u>2010-11</u>		<u>2009-10</u>	
		<u>% to total</u>	<u>Rs.in lacs</u>	<u>% to total</u>	<u>Rs. in lacs</u>
		<u>consumption</u>		<u>consumption</u>	
Imported		18.67	3802.89	13.69	1677.27
Indigenous		81.33	16564.80	86.31	10576.29
		<u>100</u>	<u>20367.69</u>	<u>100</u>	<u>12253.56</u>
Value of Raw materials (Flax Fibre) and Stores & Spares consumed		<u>2010-11</u>		<u>2009-10</u>	
		<u>% to total</u>	<u>Rs.in lacs</u>	<u>% to total</u>	<u>Rs. in lacs</u>
		<u>consumption</u>		<u>consumption</u>	
Imported		87.41	668.04	87.87	713.97
Indigenous		12.59	96.24	12.13	98.58
		<u>100</u>	<u>764.28</u>	<u>100</u>	<u>812.55</u>

12. Raw material consumed – i) Jute/Jute yarn – 57,501 MT, Rs.18,949.32 lacs (2009-10 – 48,227 MT, Rs.11,218.92 lacs)  
ii) Flax fibre – 686 MT, Rs. 666.90 lacs (2009-10 – 634 MT, Rs. 717.48 lacs).
13. Purchase of goods includes purchase of jute goods – 4,395 MT, Rs.2,189.39 lacs (2009-10 – 2023 MT, Rs.837.07 lacs).
14. Segment Information:  
The Company has considered two Business Segments viz; Jute/jute diversified Products & Flax Products.

A. Primary Segment Disclosure

		<u>(Rs. in lacs)</u>					
<u>Particulars</u>		<u>Jute/Jute diversified products</u>		<u>Flax products</u>		<u>Total</u>	
		<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
Revenue							
External Turnover	31775.21	23,401.46	2357.84	1,074.81	34133.05	24,476.27	
Other Income	349.69	136.14	-	-	349.69	136.14	
Result	178.41	582.50	458.34	165.24	636.75	747.74	
Unallocated					1.80	1.34	
Operating Profit					638.55	749.08	
Interest Expenses					619.08	680.92	
Interest Income					2.32	4.71	
Income Taxes					6.65	(9.13)	
Net Profit					15.14	82.00	
Other Information							
Segment Assets	25456.75	22,838.98	3450.37	3,864.57	28907.12	26,703.55	
Unallocated					894.59	945.92	
Total Assets					29801.71	27,649.47	
Segment Liabilities	17608.51	15,682.86	1062.09	1,092.27	18670.60	16,775.13	
Unallocated					192.57	456.39	
Total Liabilities					18863.17	17,231.52	
Capital Expenditure	573.21	655.77	43.39	43.68	616.60	699.45	
Depreciation	656.08	629.88	81.19	142.56	737.27	772.44	
Amortisation	23.22	3.43	61.27	-	84.49	3.43	
Non-cash Expenses other than Depreciation and Amortisation	-	-	-	-	-	-	

B. Information about Secondary Segments

a) Revenue & Sundry Debtors as per Geographical Markets

<u>Particulars</u>	<u>Revenue</u>		<u>Sundry Debtors</u>	
	<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
India	24924.17	19,925.60	1103.05	613.63
Outside India	9560.37	4,688.16	377.79	190.37
Total	<u>34484.54</u>	<u>24,613.76</u>	<u>1480.84</u>	<u>804.00</u>

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

15. Deferred Tax:	<u>Rs. in lacs</u>	
	<u>Year ended</u> <u>31.03.11</u>	<u>Year ended</u> <u>31.03.10</u>
i) Liability at the beginning of the year	192.23	216.19
ii) Difference between book & tax depreciation	0.34	(23.96)
iii) Deferred tax liability at the end of the year	<u>192.57</u>	<u>192.23</u>

16. Related Party Disclosures:

(a) List of Related Parties and Relationships:

<u>Party</u>	<u>Relationship</u>
a) Landale & Clark Ltd.	Subsidiary-100%
b) Champdany Constructions Limited	Subsidiary 100%
c) West Bengal Multifibre Jute Park Ltd	Subsidiary 90%
d) AIC Properties Ltd.	Subsidiary 100%
e) Mr. Nirmal Pujara	Key Management Personnel

(b) Transactions during the year with related parties

<u>Transactions</u>	<u>Subsidiary</u>	<u>Rs.in lacs</u> <u>Key Management</u> <u>Personnel</u>	<u>Total</u>
i) Landale & Clark Ltd.			
Rent Paid	3.15		3.15
	(3.15)		(3.15)
Reimbursement of Expenses	0.90		0.90
	(2.26)		(2.26)
Interest bearing Advance taken	-		-
	(7.50)		(7.50)
Interest paid	0.75		0.75
	(0.75)		(0.75)
Credit Balance Outstanding as at 31st March, 2011	19.41		19.41
	(17.87)		(17.87)
ii) Champdany Constructions Ltd.			
Advance paid	31.75		31.75
	(10.44)		(10.44)
License fee paid	-		-
	(9.90)		(9.90)
Balance amount as at 31st March, 2011	43.78		43.78
	(12.03)		(12.03)
iii) AIC Properties Ltd			
Investment in shares	-		-
	(5.00)		(5.00)
Interest bearing Advance taken	-		-
	(3.00)		(3.00)
Refund of Advance	1.13		1.13
	( - )		( - )
Interest paid	0.21		0.21
	(0.11)		(0.11)
Credit Balance Outstanding as at 31st March, 2011	2.16		2.16
	(3.10)		(3.10)

<u>Transactions</u>	<u>Subsidiary</u>	<u>Rs.in lacs</u> <u>Key Management</u> <u>Personnel</u>	<u>Total</u>
iv) West Bengal Multifibre Jute Park Ltd Advance paid	- (0.02)		- (0.02)
Balance amount as at 31st March, 2011	3.01 (3.01)		3.01 (3.01)
v) Mr. Nirmal Pujara Remuneration paid (whole time Director)		22.32 (15.97)	22.32 (15.97)

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

	<u>Rs. in lacs</u> <u>Year ended 31.03.11</u>	<u>Year ended 31.03.10</u>
17. Auditors' Remuneration		
As Audit Fees	1.50	1.50
Tax audit	0.35	0.35
Corporate Governance	0.12	0.12
Consolidated Financial Statement	0.13	0.13
Limited Review	0.90	0.90
Service Tax	<u>0.31</u>	<u>0.31</u>
	<u>3.31</u>	<u>3.31</u>
18. Earning Per Share (EPS) has been computed as under:		
a) Profit after Tax (Rs. in lacs).	15.14	82.00
b) Basic & Weighted average		
No. of Equity shares outstanding during the year	22,533,000	22,533,000
c) Earning per share {(a) / (b)}	Re.0.07	Re.0.36
(Basic & diluted)	(Face Value Rs.5)	(Face Value Rs.5)
	<u>Rs. in lacs</u> <u>Year ended 31.03.11</u>	<u>Year ended 31.03.10</u>
19. Managerial Remuneration		
i) Whole-time Director		
Salary	18.17	12.00
Perquisites	<u>4.15</u>	<u>3.97</u>
	22.32	15.97
ii) Other Directors		
Sitting Fees	<u>3.90</u>	<u>4.20</u>
iii) Total (i + ii)	<u>26.22</u>	<u>20.17</u>

20. 100% EOU Narayanpur and Shalimar Units have been closed with due process of law. Operations at 100% EOU Yarn Unit at Konnagar (de-bonded w e f 20<sup>th</sup> May 2011), continued to be under suspension. Working at Yarn Unit and Libra Carpet Unit at Choudwar have been suspended from 28th December 2005 and 1st May 2006 respectively. Wellington Jute Mill, Rishra were under suspension of work on 22<sup>nd</sup> January 2011 and 23<sup>rd</sup> January 2011 for fire broke out on 21<sup>st</sup> January 2011. Working at Wellington Jute Mill, Rishra were suspended due to lockout since 21<sup>st</sup> March, 2011. Working at Anglo-India Jute Mill, Jagatdal were suspended from 20<sup>th</sup> July 2010 to 11<sup>th</sup> August 2010 due to labour unrest. Management is of the view that the sale proceeds of the Fixed Assets relating to the Narayanpur, Choudwar, (Yarn) Konnagar and Shalimar Units would not be lower than the amount at they are carried in the books. The carrying values of assets of the cash generating units at Balance Sheet date are reviewed for impairment and management is of the view that there is no impairment exists. This has been relied upon by the Auditors.

21. The Company's application to the Competent Authority for exemption from the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 is pending approval.

	Rs. in lacs	
	2010-11	2009-10
22. Exceptional Item (net) represents:		
Provision for gratuity	-	(409.22)
Bad debt written off	-	(535.28)
Cess on debonding of EOUs	(0.93)	(9.41)
Total Debit	(0.93)	(953.91)
Provision for doubtful export debtors no longer required written back	-	401.46
Surplus from sale of fixed assets	-	469.09
Total Credit	-	870.55
Exceptional Item (Net)	(0.93)	(83.36)

23. As approved by the shareholders at the Annual General Meeting of the company held on 29th July 2008, the face value has been subdivided from one Equity Share of Rs.10/- each into two Equity shares of Rs.5/- each with effect from 19th September 2008.

24. Commodity Hedging Transactions : In accordance with the policy consistently followed by the company, the outstanding commodity hedging contracts are accounted on the date of their settlement and realised gain / loss in respect of settled contracts are recognised in the Profit and Loss Account, along with the underlying transactions.

25. In respect of the fire occurred on 22nd April 2006 and 21<sup>st</sup> January 2011 at Wellington Jute Mill, Rishra, the final assessments, to the damage caused to Assets is yet to be completed by the insurance authorities. Pending such assessments, no adjustment has been made to the accounts to the extent of estimated loss of goods -1059 MT - Rs.770.70 lacs (2009-10 – 1480 MT– Rs.694.23 lacs).

The company has filed necessary claims with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claims.

26. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. Accordingly, gratuity are accounted for in the books of accounts on accrual basis based on actuarial valuation except for gratuity for one unit of the company from 1997-98 to 2006-07 treated on cash basis and liability for the said period is not ascertained, but from financial year 2007-08 provided on accrual basis.

27. (a) The company has received the eligibility certificate from Sales Tax Authorities for the net value of fixed capital assets amounting to Rs.773 lakhs and on gross addition to fixed assets amounting to Rs.616 lakhs for the period from 1995-1996 to 1999-2000 and pending disposal of company's appeal for additional eligibility on the basis of gross value of fixed capital assets, an amount of Rs.1,119.57 lakhs has been availed by the company on this account upto April, 2000. Adjustment, if any, on this account being currently not ascertainable, shall be considered as and when it arises.

(b) Advances recoverable in cash or kind or value to be received - considered good includes Rs.26.93 lacs where although recoveries are not forthcoming but no provision has been made in the Accounts as the management considers these amounts are recoverable.

(c) In the opinion of the management, no diminution of permanent nature in the year-end carrying value of investment with Landale & Clark Limited is likely to arise and accordingly no provision is considered necessary.

28. By an Order passed by the Hon'ble Division Bench of the High Court at Calcutta, six winding-up matters were relegated to Civil Suits for a claim of Rs.319 lacs of the erstwhile promoters of Anglo-India Jute Mills Co Ltd (now AI Champdany Industries Ltd), being the unsecured loan disputed by the Company. As per direction of the High Court, Calcutta, the Company has provided required securities to the satisfaction of the Registrar, Original Side, Calcutta High Court till the disposal of the suits.

Six suits were filed by the erstwhile promoters by their six respective companies. In the said suits a composite decree to the tune of Rs.2.77 crores is passed. Challenging the said decree six appeals are preferred by AI Champdany Industries Limited wherever a stay order is passed by the Hon'ble Division bench. The Plaintiff/Respondents also filed cross appeals. All the appeals are at present in the list of the Hon'ble Division Bench for hearing.

29. The Company obtained an order passed by the Learned 1st Civil Judge, Senior Division at Alipore, directing Bailiff for handing over the vacant possession of the Company's flat at Woodland Syndicate, to the Company on the score of non-compliance of the order passed by the Hon'ble High Court wherein the decree passed by the Trial Court is under challenge. The process of handing over is still pending owing to resistance (forcefully) by the Judgement-Debtors and/or their men and agents. Company duly filed a miscellaneous proceeding for police help. The exact amount of claim on account of mesne-profit that will be ultimately received in respect of the wrongful occupation

of the flat is not ascertainable at this stage and accordingly nothing has been accounted for as income in these accounts in respect of the aforesaid claim. Such claim will be accounted for as and when such amount is received by the company.

30. (a) According to Calcutta High Court Order of February, 1987 as modified in February 1988 in connection with pending litigation initiated by Goodricke Group Ltd. against Cosmopolitan Investments Ltd. and others including the company, the company is refrained from transferring the Fixed Assets (except dealing with the said Fixed Assets by creating charges and / or mortgages in favour of Financial Institutions / Nationalized Banks) till disposal of related applications except with the leave of Court. Accordingly, the deed of Conveyance pertaining to the relevant lower Mill's assets transferred in October 1986 pursuant to an agreement of sale dated 17th September 1986 is yet to be executed. This matter is sub-judice before the High Court of Calcutta.
- (b) Liability for Sales Tax and Raw Jute Tax dues pertaining to the period upto 4th February, 1994 (date of sanction of the Rehabilitation Scheme by BIFR) as finally confirmed in terms of BIFR Order dated 20th July, 1995, was Rs.466 lacs which has been paid by the company as per the Scheme sanctioned by BIFR and agreed by Sales Tax authorities.
31. The Company has maintained separate books of account for each of its 100% Export Oriented Weaving Unit at Rishra, Narayanpur and Konnagar (Yarn) (de-bonded w e f 20<sup>th</sup> May 2011) and for the Wellington Jute Mills and Yarn Unit at Rishra, Middle Mill, Fine Yarn and Flax Unit at Jagatdal and for the other units at, Konnagar (Weaving), Beldanga, Shalimar, Kankinara at West Bengal and Libra Carpet unit and Yarn unit at Choudwar, Orissa.
32. The name of the company had been changed with the consent of the Central Government, from Anglo India Jute Mills Company Limited to AI Champdany Industries Limited with effect from 19th May, 2005.
33. The Remuneration Committee and the Board of Directors at their meetings held on 14<sup>th</sup> February 2011 revised and approved the remuneration of Mr. Nirmal Pujara, Executive Director (Mktg) for his balance tenure of service commencing from 01.01.2011 and upto 31.12.2012 as follows: -

**Salary:** Rs.1,50,000/- (Rupees one Lac Fifty Thousand) per month or Rs.18,00,000/- (Rupees Eighteen Lacs) in a year including dearness and all other allowances.

Mr. Pujara would also be entitled to following perquisites of which aggregate value is not to exceed Rs.3 Lacs per annum.

- i) Free furnished residential accommodation alongwith gas, water, electricity etc.
  - ii) Reimbursement of medical expenses incurred for self and family subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
  - iii) Leave travel assistance for self and family once in a year by Air or AC first class in train.
  - iv) Fees to clubs subject to a maximum of two clubs and the same will not include admission or life membership fees.
  - v) Personal Accident Insurance as per Company's Personal Accident Scheme.
  - vi) Car for use on Company's business.
  - vii) Telephone at residence subject to refund of charges for personal long distance calls on telephone.
- The following perquisites are excluded in computation of the ceiling of remuneration as above:
- a) Company's contribution towards Provident Fund/Superannuation Fund.
  - b) Gratuity not exceeding half a month's salary for each completed year of service.
  - c) Leave of 28 days for every year of completed service and leave not availed shall be encashed at the end of tenure.

The above remuneration is within the overall limit approved by the shareholders on 31<sup>st</sup> August 2007 and is also within the ceiling prescribed under Section II [1(A)] of Part II of Schedule XIII of the Companies Act, 1956 which is applicable for payment of remuneration to whole time Director in case of inadequacy of profit in a particular year.

34. As per gratuity actuarial valuation certificate, the "Contribution to Provident Fund & other Funds" for the year 2010-11 is after adjustment of Rs. 703.21 lacs relating to earlier years.
35. Previous year's figures have been rearranged wherever necessary to conform to those of current year.

#### Signature to Schedule 1 To 17

For and on behalf of  
D.P SEN & CO.  
Chartered Accountants  
S K Nayak  
Partner  
Dated: May 30, 2011

B K Chowdhury  
Senior General Manager (Accounts) &  
Company Secretary

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

# AI CHAMPDANY INDUSTRIES LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

Information pursuant of Part IV Schedule VI to the Companies Act, 1956.

### I. Registration Details:

CIN: L51909WB1917PLC002767 State Code: 21 Balance Sheet Date : March 31, 2011

### II. Capital raised during the year (Rupees in thousands)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

### III. Position of Mobilisation and Deployment of Funds (Rupees in Thousands)

Total Liabilities	2179666	Total Assets	2179666
Sources of Funds:		Application of Funds:	
Paid up Capital	196737	Net Fixed Asset	
Reserves & Surplus	897117	(including Capital Expenditure	
Secured Loans	1034654	in Progress)	1071818
Net Current Assets	1018389	Investments	89459
Unsecured Loans	31901		
Deferred Tax liability	19257		

### IV. Performance of Companies (Rupees in Thousands)

Turnover & Other income	3448454	Total Expenditure	3446276
Profit before tax	2178	Profit after tax	1514
Earning per share (Rs.)	0.07	Dividend	Nil

### V. Generic names of three principal products of the company (as per Monetary terms)

1. Item Code No.	:	630510.04
Product description	:	Jute Sacking Bags
2. Item Code No.	:	531010.03
Product description	:	Hessian Cloth
3. Item Code No.	:	530710.01
Product description	:	Jute Yarn

Place: Kolkata  
Date: May 30, 2011

B K Chowdhury  
Sr. General Manager (Accounts) &  
Company Secretary

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

## **LANDALE & CLARK LTD.**

### **DIRECTORS' REPORT**

Your Directors submit their Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2011.

### **FINANCIAL RESULTS**

	Amount (Rs.)
Profit before Depreciation and Taxation	176494
Depreciation	118
Profit before Tax	176376
Provision for Taxation	60000
Profit after Tax	116376
(Loss) brought forward from the Previous Year	(1414396)
(Loss) carried to Balance Sheet	(1298020)

No further information has been received with regard to the assets and liabilities in Bangladesh and these are therefore, incorporated in the Accounts as per last Balance Sheet.

### **BOARD OF DIRECTORS**

Shri Jayant Pujara, Director, retires by rotation and being eligible, offers himself for reappointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required U/s 217(2AA) of the Companies Act, 1956, your Directors confirm that :-

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgements 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 on 31<sup>st</sup> March 2011 and of the Profit of the Company for the year ended 31<sup>st</sup> March 2011.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual Accounts on a going concern basis.

### **AUDITORS**

M/s Dass & Ghosh, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

### **AUDITORS' REPORT**

As regards Auditors' observation, the Notes provided in the Accounts are self-explanatory.

### **COMPLIANCE CERTIFICATE**

(Under Rule 3 of the Compliance Certificate Rules, 2001)

The Report of Secretarial Compliance as required U/s 383A(1) of the Companies Act, 1956, as given by a Practicing Secretary is attached which forms an integral part of the Report.

### **STAFF**

The provisions of Section 217 (2A) of the Companies Act, 1956 are not applicable as no employee was in receipt of remuneration to the extent laid down therein.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

Considering the nature of its activities, no measures were/ are required to be taken by the Company for energy conservation and/or for additional investments for reduction in energy consumption.

There is no involvement of any technology absorption in the Company's activities during the year.

Further, there has not been any Foreign Exchange earnings or outgo during the year.

Place: Kolkata

Date : 24<sup>th</sup> May 2011

On behalf of the Board

J. Pujara  
M.K.Roy } Directors

**COMPLIANCE CERTIFICATE (UNDER RULE 3 OF THE COMPANIES (COMPLIANCE CERTIFICATE) RULES, 2001).**

CIN :- U65993WB1908PLC001826

NOMINAL CAPITAL :- RS. 55,00,000/-

To, The Members, Landale & Clark Ltd. 18, N. S. Road, 1<sup>st</sup> Floor, Kolkata-700001.

We have examined the registers, records, books and papers of **M/s. Landale & Clark Ltd.** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanation furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per provisions and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government Company Law Board or other authorities within the time prescribed under the Act and rules made thereunder.
3. The company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met 4 (Four) times respectively on 21<sup>st</sup> May, 2010; 22<sup>nd</sup> July, 2010; 28<sup>th</sup> October, 2010; and 12<sup>th</sup> January, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose.
5. The company was not required to close its Register of Members or Debenture holders during the financial year.
6. The annual general meeting for the financial year ended on 31, March, 2010 was held on 31<sup>st</sup> July, 2010 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred to u/s. 295 of the Act.
9. The company has not entered into any contracts falling within the purview of Sec. 297 of the Act.
10. The company was not required to make any entries in the register maintained u/s. 301 of the Act.
11. As there were no instances falling within the purview of Sec. 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Govt., as the case may be.
12. The company has not issued any duplicate certificates during the financial year.
13. The Company has :
  - i) not made any allotment/transfer/transmission of securities during the financial year.
  - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
  - iii) not posted warrants to any member of the company as no dividend was declared during the financial year.
  - iv) duly complied with the requirement of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The company has not appointed any managing director/whole-time director/manager during the financial year.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Govt., CLB, Regional Director, ROC and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares, pending registration of transfer of shares.
23. The company has not invited/accepted any deposits including any unsecured loans falling within the purview of Sec. 58A during the financial year.
24. The Company has not made any borrowings during the financial year ending 31<sup>st</sup> March, 2011.
25. The company has made Investments to other Bodies Corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The

- company has not made loans or advances or given guarantee or provided securities to other Bodies Corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
  27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
  28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
  29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
  30. The company has not altered its articles of association during the financial year.
  31. There were no prosecution initiated against or show cause notices received by the company, during the financial year, for offences under the Act.
  32. The company has not received any money as security from its employees during the financial year.
  33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

For **B K G & COMPANY**  
Company Secretaries  
**BINOD KUMAR GUPTA**  
Partner  
(C. P. No.- 3242)

Place : Kolkata  
Date : 24<sup>th</sup> May, 2011.

#### **ANNEXURE A**

Registers as maintained by the Company

1. Register of Investments u/s. 49
2. Register of Charges u/s. 143/Copies of instruments creating charge u/s. 136.
3. Register of members u/s. 150 and Index of members u/s. 151.
4. Register of Transfers.
5. Register and Returns u/s. 163.
6. Minutes Book of Board Meetings.
7. Minutes Book of General Meetings.
8. Books of Accounts and other cost records u/s. 209.
9. Register of particulars of contracts in which directors are interested u/s. 301.
10. Register of directors, managing director, manager and secretary u/s. 303.
11. Register of director's shareholdings u/s. 307.
12. Register of Investments or loans made, guarantee given or security provided u/s. 372A
13. Register of director's attendance.

#### **ANNEXURE B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2011.

Sl. No.	Form No./Return	Filed under section	For	Date of filing	Whether filed within prescribed time. Yes/No.	If delay in filing whether requisite additional fee paid. Yes/No.
1.	Annual Return	159	For the AGM held on 31/07/2010	13/09/2010	YES	N. A.
2.	Balance Sheet	220	As on 31/03/2010.	23/08/2010	YES	N. A.
3.	Secretarial Compliance Certificate	383A(1)	As on 31/03/2010.	23/08/2010	YES	N. A.

**AUDITORS' REPORT**  
**TO**  
**THE MEMBERS OF**  
**LANDALE & CLARK LIMITED**

1. We have examined the attached Balance Sheet of Landale & Clark Limited as at 31<sup>st</sup> March 2011 and the Profit & Loss Account for the year ended on that date annexed thereto which are in agreement with the Books of Account. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.  
We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (the Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (the Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we report that:
  - (i)
    - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets other than lying at Bangladesh.
    - (b) The fixed assets of the Company (Other than in Bangladesh) have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
    - (c) The Company has not disposed off any fixed assets during the year.
  - (ii)
    - (a) As explained to us inventories were physically verified during the year by the management at reasonable intervals.
    - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventing followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
    - (c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
  - (iii) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
  - (iv) As explained to us, the provisions of clause (v) of the Order are not applicable to the Company as there are no transactions made during the year which need to be entered into the register in pursuance of Section 301 of the Act.
  - (v) The Company has not accepted any deposits within the meaning of Sections 58A/58AA or any other relevant provisions of the Act and the rules framed thereunder.
  - (vi) As the size of the Company is outside the purview of Internal Audit, the provisions of clause (vii) of the Order are not applicable.
  - (vii) As the Company's activities are not falling within the purview of the Cost Audit, the maintenance of Cost records under Section 209(1)(d) of the Act is not applicable.
  - (viii) In our opinion, the Company has been regular in depositing provident fund dues with the appropriate authorities. As explained to us, the Company has no liability towards Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues and hence, deposits to the appropriate authorities do not arise.
  - (ix) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year and also in the immediately proceeding financial year.  
*Our opinion on the matters specified in the Clause has been arrived at without giving effect to the qualifications in the Audit Report.*

- (x) The Company has not accepted any loans from the financial institution/bank/debenture holders.
  - (xi) The Company has not granted any advances/loans on the basis of security by way of pledge of share / debentures / other securities.
  - (xii) In our opinion the Company is not a chit fund company or nidhi / mutual benefit fund / society and hence, the provisions of clause (xiii) of the Order are not applicable to the Company.
  - (xiii) The Company is not dealing or trading in shares, securities, debentures or other investments. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company.
  - (xiv) The Company has not given guarantee for loans taken by others from banks or financial institutions.
  - (xv) As explained to us, the Company has not obtained any short/long term loans and hence the provisions of clauses (xvi) and (xvii) of the Order are not applicable to the Company.
  - (xvi) The Company has not made any preferential allotment of shares during the year.
  - (xvii) No debentures have been issued by the Company and hence, the question of creating securities in respect thereof does not arise.
  - (xviii) During the year, the Company has not raised money by public issue.
  - (xix) During the course of our examination of the books and records of the Company, carried out in accordance with the auditing practices generally accepted in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the Management.
- 3 We further report that
- i) *In the absence of any information since 28<sup>th</sup> February 1966, we have been unable to verify the assets and liabilities in Bangladesh as at 31<sup>st</sup> March 2011 details of which are shown separately in this account which is as per last Balance Sheet.*
  - ii) *No provision has been made in this account* for possible loss that may arise in respect of investments in Swan Mills Limited (Refer Note No. 4 in Schedule "K").
  - iii) *No provision has been made in these accounts* in respect of Sundry Debtors considered doubtful amounting to Rs.5.31 Lakhs. (Refer Note No. 5 in Schedule "K").
  - iv) *No provisions have been made in these accounts* for possible loss that may arise in respect of investments and deposits with Companies (Refer Note No. 6 in schedule "K").  
*The non-provisions indicated in 3 (ii), 3 (iii) and 3 (iv) above have consequential effects on the profit for the year and on the year end net assets position.*
  - v) No provision has been made in the accounts in respect of retirement gratuity amounting to Rs.70,790/- (refer note no.7)
4. *Subject to our comments in 3 (ii), 3(iv) and 3(v) above*, regarding non provision for permanent fall in the value of investments, in our opinion, the Profit and Loss Account and Balance Sheet of the Company have complied with the accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956.
5. *Subject to our remarks in 3 above*, we have obtained all the information and explanations to the best of our knowledge and belief were necessary for the purposes of our audit.
6. In our opinion, subject to our remarks in paragraph 3 above, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.
7. On the basis of written representation received from the directors as on 31<sup>st</sup> March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts *subject to our remarks in paragraph 3 above* and read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and the Balance Sheet gives a true and fair view of the State of the Company's affairs as at 31<sup>st</sup> March 2011 and the Profit and Loss Account gives a true and fair view of the profit for the year ended on that date.

For DASS & GHOSH  
Chartered Accountants  
(F.R.N.- 0306022E)

(P K Ghosh)  
Partner

Mem. No. 51664

Kolkata  
Dated : 24.05.2011

**LANDALE & CLARK LTD.**

(Rupees)

**AUDITED BALANCE SHEET AS AT 31ST MARCH 2011**

	Schedule	As at 31.03.2011	As at 31.03.2010
I. SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
a) Capital	A	2,000,000	2,000,000
b) Reserves & Surplus	B	<u>1,508,024</u>	<u>1,508,024</u>
		<u>3,508,024</u>	<u>3,508,024</u>
II. APPLICATION OF FUNDS			
1) FIXED ASSETS	C		
Gross Block		133,057	133,057
Less: Depreciation		<u>132,148</u>	<u>132,030</u>
Net Block		909	1,027
2) INVESTMENTS	D	1,823,705	1,823,705
3) CURRENT ASSETS, LOANS AND ADVANCES	E		
a) Sundry Debtors		1,722,688	1,501,058
b) Cash & Bank Balances		74,547	109,820
c) Loans and Advances		<u>5,956,808</u>	<u>5,977,087</u>
		<u>7,754,043</u>	<u>7,587,965</u>
Less: CURRENT LIABILITIES & PROVISIONS	F		
a) Liabilities		7,639,913	7,650,329
b) Provisions		<u>158,500</u>	<u>98,500</u>
		<u>7,798,413</u>	<u>7,748,829</u>
NET CURRENT ASSETS		(44,370)	(160,864)
Profit and Loss Account		1,298,020	1,414,396
Net Assets in Bangladesh	G & H	<u>429,760</u>	<u>429,760</u>
		<u>3,508,024</u>	<u>3,508,024</u>

## III. NOTES ON ACCOUNTS

K

The Schedules referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our Report of even date

For and on behalf of

Dass &amp; Ghosh

Chartered Accountants (F.R.N.0306022E)

P K Ghosh, Partner

Mem. No. 51664

Kolkata, the 24th day of May 2011

On behalf of the Board

J. Pujara  
M.K.Roy } Directors**AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

(Rupees)

	Schedule	Year ended 31.03.2011	Year ended 31.03.2010
INCOME			
Sales and other Incomes	I	<u>542,729</u>	<u>542,495</u>
		<u>542,729</u>	<u>542,495</u>
EXPENDITURE			
Expenses	J	366,235	299,105
Depreciation		118	118
Profit before Taxation		176,376	243,272
Provision for Taxation		60,000	42,000
Profit after Taxation		116,376	201,272
(Loss) Brought forward		(1,414,396)	(1,616,075)
Adjustment relating to earlier years (Taxes)		-	407
(Loss) Carried to Balance Sheet		(1,298,020)	(1,414,396)
NOTES ON ACCOUNTS	K		

The Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For and on behalf of

Dass &amp; Ghosh

Chartered Accountants (F.R.N.0306022E)

P K Ghosh, Partner

Mem. No. 51664

Kolkata, the 24th day of May 2011

On behalf of the Board

J. Pujara  
M.K.Roy } Directors

## Schedule Forming part of the Balance sheet

**LANDALE & CLARK LTD.**

(Rupees)

As at 31.03.2011

As at 31.03.2010

**A. SHARE CAPITAL****AUTHORISED**

(i) 5,000 7% Cumulative Preference Shares of Rs.100/- each	500,000	500,000
(ii) 50,000 Ordinary Shares of Rs.100/- each	<u>5,000,000</u>	<u>5,000,000</u>
	5,500,000	5,500,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
20,000 Ordinary Shares of Rs.100/- each	<u>2,000,000</u>	<u>2,000,000</u>
	2,000,000	2,000,000

**NOTES :**

- (i) All the Ordinary Shares are held by the Holding Company AI Champdany Industries Ltd. (formerly Anglo-India Jute Mills Co. Ltd.) and its nominees.
- (ii) 9,992 Ordinary Shares have been allotted as fully paid up pursuant to Contracts without payment being received in cash.

**B. RESERVES AND SURPLUS**

	As at 01.04.10	Adjustments during the year ended 31.03.11	As at 31.03.11
Capital Reserve	1,008,024	-	1,008,024
Capital Redemption Reserve	<u>500,000</u>	-	<u>500,000</u>
	<u>1,508,024</u>	-	<u>1,508,024</u>

**C. FIXED ASSETS**

Description of Assets	Original Cost as at 01.04.10	Addition	Original Cost of Assets sold during the year ended 31.03.11	Total Cost as on 31.03.11	Total Depreciation written off upto 31.03.11	Balance as at 31.03.11	NET BLOCK Balance as at 31.03.10
Land							
(Leasehold and Freehold)	397	-	-	397	-	397	397
Machinery	74,548	-	-	74,548	74,366	182	289
Furniture & Fittings	58,112	-	-	58,112	57,782	330	341
	<u>133,057</u>	-	-	<u>133,057</u>	<u>132,148</u>	<u>909</u>	<u>1,027</u>
Previous year	133,057	-	-	133,057	132,030	1,027	-

**Notes :**

- (i) The value of leasehold and Freehold lands cannot be ascertained separately.
- (ii) Depreciation on Assets have been charged in the Accounts on written down value method as per rates prescribed in Schedule XIV of the Companies Act, 1956 (as amended)
- (iii) Depreciation for the year on Plant & Machinery Rs. 107/- and Furniture & Fixtures Rs. 11/-

## Schedule Forming Part of the Balance Sheet

## LANDALE &amp; CLARK LTD.

(Rupees)

	As at 31.03.2011	As at 31.03.2010
<b>D. INVESTMENTS - (Long Term)</b>		
Other than Trade Investment		
<u>QUOTED (at cost)</u>		
21 Fully paid Equity Shares of Rs.10/- each in RPG Cables Ltd.	300	300
15 Fully paid Equity Shares of Rs.10/- each in Oriental Carbon & Chemicals Ltd.	1,005	1,005
10 Fully paid Equity Shares of Rs.10/- each in earstwhile Basanti Cotton Mills Ltd.	73	73
<u>UNQUOTED (at cost unless otherwise stated)</u>		
35 Fully paid 1/2% Debentures of Rs. 100/- each in Woodland Hospital & Research Centre Ltd. (Formerly East India Clinic Ltd.) (At written down value Re.1/-)	1	1
40 Fully paid 11% Cumulative Redeemable Preference Shares of Rs. 100/- each in Chitrakoot Investments Ltd.	4,020	4,020
58170 Fully paid Equity Shares of Rs.10/- each in Volga Investments Ltd.	581,704	581,704
100 Fully paid 11% Redeemable Cumulative Preference Shares of Rs. 100/- each in Disciplined Investments Ltd.	10,050	10,050
100 Fully paid 11% Redeemable Cumulative Preference Shares of Rs. 100/- each in Volga Investments Ltd.	10,050	10,050
120670 Fully paid Equity Shares of Rs.10/- each in Preoption Investments Ltd.	1,206,452	1,206,452
100 Fully paid 11% Redeemable Cumulative Preference Shares of Rs. 100/- each in Preoption Investments Ltd.	10,050	10,050
	<u>1,823,705</u>	<u>1,823,705</u>

## Notes:-

- Market value of the Quoted Investments as on 31.03.2011 Rs.0.01 lakh.(as on 31.03.2010, Rs. 0.01 lakh)
- On amalgamation of Basanti Cotton Mills Ltd. with Swan Mills Ltd., the company is entitled to a fraction of 5/18 of one fully paid Equity Share of Rs. 100/- in Swan Mills Ltd. the proceeds of which are still awaited.

(Rupees)

	As at 31.03.2011	As at 31.03.2010
<b>E. <u>CURRENT ASSETS, LOANS AND ADVANCES :</u></b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
Debts outstanding for a period exceeding six months		
Considered Good	1,004,315	537,642
Considered Doubtful	540,004	540,004
	<u>1,544,319</u>	<u>1,077,646</u>
Less: Provision	8,594	8,594
	<u>1,535,725</u>	<u>1,069,052</u>
Other debts considered good within Six Months	186,963	432,006
	1,722,688	1,501,058
<b><u>CASH AND BANK BALANCES:</u></b>		
Cash in Hand	2,250	2,636
With Scheduled Banks, on Current Accounts	47,297	82,184
Preference Share Account	25,000	25,000
Carried forward	<u>74,547</u>	<u>109,820</u>
	17,97,235	16,10,878

	As at 31.03.11		As at 31.03.10	
Brought forward		17,97,235		16,10,878
<b>LOANS AND ADVANCES:</b>				
(Unsecured considered good except where other-wise stated)				
Deposits with companies	4,490,000		4,490,000	
Advance payment of tax including tax deducted at source.	369,453		327,453	
Advance recoverable in cash or in kind or for value to be received (considered Doubtful Rs.2,50,000/-)	1,008,150		1,070,429	
Sundry Deposits	89,205		89,205	
Prepaid Expenses	-		-	
Considered Doubtful	2,140	2,140		
Less : Provision	<u>2,140</u>	<u>-</u>	<u>2,140</u>	<u>-</u>
		<u>7,754,043</u>		<u>7,587,965</u>
<b>F CURRENT LIABILITIES AND PROVISIONS:</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors	7,609,583		7,623,499	
Unclaimed Redeemed Preference Shares	<u>25,000</u>	<u>7,634,583</u>	<u>25,000</u>	<u>7,648,499</u>
Other Liabilities		5,330		1,830
<b>PROVISION</b>				
Provision for Taxation		<u>158,500</u>		<u>98,500</u>
		<u>7,798,413</u>		<u>7,748,829</u>
<b>G. NET ASSETS IN BANGLADESH</b>				
As on 28th February, 1966				
<b>FIXED ASSETS</b>				
As per Schedule H		39,014		39,014
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Debts over six months				
Unsecured considered good		14,442		14,442
Unsecured considered doubtful	58,032		58,032	
Less: Provision	<u>58,032</u>	<u>-</u>	<u>58,032</u>	<u>-</u>
<b>CASH AND BANK BALANCE</b>				
Cash in Hand		108		108
On Current Account		2,423		2,423
On Short Term Deposit		<u>807,500</u>		<u>810,031</u>
		<u>863,487</u>		<u>863,487</u>
<b>Less: CURRENT LIABILITIES AND PROVISIONS</b>				
Current Liabilities :				
Sundry Creditors	29,974		29,974	
Provision for Taxation	<u>179,812</u>	<u>209,786</u>	<u>179,812</u>	<u>209,786</u>
		<u>653,701</u>		<u>653,701</u>
<b>Less: Ad-hoc compensation received from office of the Custodian of Enemy Property for India, 1975</b>				
		<u>223,941</u>		<u>223,941</u>
		<u>429,760</u>		<u>429,760</u>
<b>H. DESCRIPTION OF FIXED ASSETS (IN BANGLADESH) AS ON 28.02.66</b>				
	<u>Cost</u>	<u>Total Depn.</u>		<u>Net Balance</u>
Land (Leasehold & Freehold)	20,000	442		19,558
Buildings	121,270	104,487		16,783
Machinery	33,891	31,283		2,608
Furniture & Fittings	<u>3,348</u>	<u>3,283</u>		<u>65</u>
	<u>178,509</u>	<u>139,495</u>		<u>39,014</u>

NOTE: The value of Leasehold and Freehold lands cannot be ascertained separately.  
The status of the Bangladesh Assets in remain unchanged since 1966

## Schedule Forming Part of the Profit &amp; Loss Account

## LANDALE &amp; CLARK LTD.

(In Rupees)

	Year ended 31.03.2011	Year ended 31.03.2010
I. SALES AND OTHER INCOME		
Rental Income (TDS Rs. 31500/-)	467,700	467,700
Interest Received (TDS Rs. 7500/-)	75,000	74,795
Dividend received	29	-
	<u>542,729</u>	<u>542,495</u>
J. EXPENSES		
1 PAYMENT TO EMPLOYEES		
Salaries, Wages and Bonus	171,849	161,824
Contribution to Provident, Funds etc.	12,901	12,349
Welfare Expenses	<u>15,900</u>	<u>15,375</u>
	200,650	189,548
2 ADMINISTRATIVE AND SELLING EXPENSES		
Rent	13,085	13,085
Rates and Taxes	4,800	4,800
Property Tax	-	25,580
Directors' Fees	1,200	1,200
Electricity Charges	9,938	25,926
Professional Fees	27,655	27,360
Auditors' Remuneration	9,000	9,000
Filing Fees	1,500	1,500
Legal Charges	79,002	-
Miscellaneous Expenses	<u>19,405</u>	<u>1,106</u>
	<u>165,585</u>	<u>109,557</u>
	<u>366,235</u>	<u>299,105</u>

## K. NOTES ON ACCOUNT

## 1. Accounting Policies :

Some of the significant Accounting Policies are summarised below :

- Accounting convention : The accounts have been prepared in accordance with the historical cost convention.
  - Fixed Assets and Depreciation : Fixed Assets are stated at historical cost which is inclusive of freight, installation cost, duties & taxes and other incidental expenses. Depreciation is provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.
  - Investments : Long Term Investments are stated at cost unless there is a permanent fall in value.
  - Recognition of Income and Expenditure : Items of income and expenditure are recognised on accrual basis.
  - Retirement Benefits : Monthly contributions are made to Provident Fund which is charged against revenue.
  - Inventories : Goods in trade are valued at lower of cost and net realizable value.
- In the opinion of the Company, deposits made with the bodies Corporate upto 16<sup>th</sup> April 1989 do not represent loans coming within the purview of Section 370 of the Companies Act, 1956, (since not applicable) as these have been made prior to the amendment to Section 370 of the Companies Act, 1956, by the Companies (Amendment) Act, 1988 with effect from 17<sup>th</sup> April 1989 by virtue of which loan includes any deposit of money made by one company with another company, not being a banking company.
  - Sundry Creditors include Rs.75.71 lacs disputed by the new management.
  - The company has in Swan Mills Ltd. investments (Erstwhile Basanti Cotton Mills Ltd.) of Rs.73/- provision that may be required against possible loss, if any, in respect of the above is not ascertainable during the pendency of the rehabilitation period in pursuance of the scheme approved by BIFR.
  - Sundry Debtors includes Rs.5.31 lacs considered as doubtful and no provision in this respect has been made in accounts as in the opinion of the management these amount are expected to be recoverable.
  - Going by the financials, provision that may be required to be made against possible loss, if any, in respect of company's investments in Chitrakoot Investments Ltd., Disciplined Investments Ltd. Volga Investments Ltd. and Preoption Investments Ltd to the extent of Rs.0.04 lacs, Rs.0.10 lacs, Rs.5.92 lacs and Rs.12.17 lacs respectively and also in respect of deposits with Chitrakoot Investments Ltd. and Volga Investments Ltd. to the extent of Rs.37.50 lacs and Rs.7.40 lacs respectively is not ascertainable at this stage.
  - There is under provision for retirement gratuity to the extend of Rs.70,790/-.

8. Related Party Transactions : AI Champdany Industries Ltd. - Holding Company
- |  | 2010-11 | 2009-10 | (Rs.in thousand) |
|--|---------|---------|------------------|
| i) Rental Income                         | 315     | 315     |                  |
| ii) Sharing of common expenses (receipt) | 90      | 226     |                  |
| iii) Advance Paid                        | -       | 750     |                  |
| iv) Interest Accrued                     | 75      | 75      |                  |
| v) Balance at the end of the year        | 1941    | 1787    |                  |
9. The deferred tax assets as at 31<sup>st</sup> March 2011 for carried forward unabsorbed business loss and depreciation are not recognised in the accounts in absence of virtual certainty of sufficient future taxable income.
10. The Company has not accounted for rental receivables from certain tenants of the Company's premises due to some dispute since earlier years. The dispute has been partially settled and accordingly accounted for rental income from the financial year 2004-05. The Company is awaiting for positive reply from the tenants to account for the arrear receivables.
11. Previous year's figures have been rearranged/regrouped wherever necessary.

Signature to Schedule A to K

Kolkata, the 24<sup>th</sup> day of May 2011

On behalf of the Board

J. Pujara }  
M.K.Roy } Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

(In Rupees)

	31.03.2011	31.03.2010
<b>A. Cash Flow from Operational Activities</b>		
Profit before Taxation	176,376	243,272
Add : Depreciation	118	118
Less : Interest	(75,029)	(74,795)
Operating Profit before Working Capital Change	<b>101,465</b>	<b>168,595</b>
Adjustment for		
(Increase) in Trade & other Receivables	(201,351)	(987,071)
(Decrease) in Sundry Creditors	(10,416)	(3,659)
(Decrease) in Provision W/ Back	-	(16,000)
	<b>(211,767)</b>	<b>(1,006,730)</b>
Net Cash from operating Activities	(110,302)	(838,135)
Net Cash from (used in) Operating activities	(110,302)	(838,135)
<b>B. Cash flow from Investing activities</b>		
Interest received / receivable	75,029	74,795
Net cash from Investing activities	<b>75,029</b>	<b>74,795</b>
Net Increase/(Decrease) in Cash & Cash Equivalent	<b>(35,273)</b>	<b>(763,340)</b>
<b>Cash at bank</b>		
Cash & Cash Equivalent as on 01.04.2010	(109,820)	(873,160)
Cash & Cash Equivalent as on 31.03.2011	(74,547)	(109,820)
	<b>(35,273)</b>	<b>(763,340)</b>

For and on Behalf of  
Dass & Ghosh  
Chartered Accountants  
(FRN.- 0306022E)

(P K Ghosh)  
Partner  
Mem. No. 051664

On behalf of the Board

J. Pujara }  
M.K.Roy } Directors

Place :Kolkata  
Dated : 24.05.2011

**LANDALE & CLARK LIMITED****Balance Sheet Abstract and Company's General Business profile (as required under part IV of the schedule VI of the Companies Act, 1956)**Registration Details CIN - U65993WB1908PLC001826 State Code 21 Balance Sheet Date 31<sup>st</sup> March 2011

I.	Capital raised during the year (Rupees in Thousand)			
	Public Issue	Nil	Rights Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
II.	Position of Mobilisation and Deployment of Funds (Rupees in Thousand)			
	Total Liabilities	3508	Total Assets	3508
	Sources of Funds		Application of Fund	
	Paid up Capital	2000	Net Fixed Assets	40
	Reserve & Surplus	1508	Investments	1824
	Secured Loans	Nil	Net Current Assets	346
	Unsecured Loans	Nil	Miscellaneous Expenditure	Nil
			Accumulated Loss	1298
III.	Performance of the company (Rupees in Thousand)			
	Turnover	543	Total Expenditure	367
	Profit/(Loss) before Tax	176	Profit/(Loss) after Tax	116
	Earning per Share	5.82	Dividend Rate (%)	Nil
IV.	Generic Names of three Principal Products of company (As per Monetary Terms)			
	Not applicable			

Kolkata, the 24<sup>th</sup> day of May 2011

On behalf of the Board

J. Pujara  
M.K.Roy } Directors

**CHAMPDANY CONSTRUCTIONS LIMITED****DIRECTORS' REPORT**

To the Members,

Your Directors have pleasure in presenting their Report alongwith the Audited Statements of Accounts of Company for the year ended on 31<sup>st</sup> March, 2011.

	<u>Year ended 31 03 11</u>	<u>Amount (Rs)</u>
<b>FINANCIAL RESULTS</b>		
NET (Loss) as per Profit & Loss Account	(20,47,703)	
Add : Provision for Taxation	<u>1,35,000</u>	
	(21,82,703)	
Less : Balance Brought Forward from earlier year	<u>18,98,201</u>	
Debit Balance transferred to Balance Sheet	<u>(2,84,502)</u>	

**BOARD OF DIRECTORS**

Shri Dinesh Prasad, Director, retires by rotation and being eligible, offers himself for re-appointment.

**COMPLIANCE CERTIFICATE**

(Under Rule 3 of the Compliance Certificate Rules, 2001)

The report of Secretarial Compliance as required U/s. 383A(1) of the Companies Act, 1956, as given by a practicing Secretary is attached which forms an integral part of the Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Sub-Section (2AA) of Section 217 of the Companies Act, 1956, the Directors confirm that:

1. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true fair view of the state of affairs of the Company at the end of the financial year 31st March, 2011 and of the Loss of the Company for that financial year;
3. the Directors have taken proper and sufficient care for maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
4. the Annual Accounts of your Company have been prepared on a going concern basis.

## **LEGAL MATTERS**

The Company has been impleaded in two petitions filed by Blancatex AG and Aldgate International SA, against AI Champdany Industries Ltd., the parent Company of the Company before the Company Law Board (CLB). The said two separate petitions U/s.397 and 398 of the Companies Act, 1956, amongst other things, have challenged the transfer of Rampur Texpro Unit to the Company by AI Champdany Industries Ltd. In view of the said challenge, the Company Law Board vide its Order dated 12 01 2010 has restrained the Company from transferring or creating any third party interest in the fixed assets of the Rampur Texpro Unit.

The Company has strongly contested its impleadment in the proceedings, as the Petitioners are not Shareholders of the Company and has also moved an application for modification of interim Order operating against it. The Company has sought permission of the CLB to allow it to rent out the warehousing space of the Rampur Texpro Unit till the matter is finally decided. The said application has been rejected by CLB, vide its Order dated 17 05 2010 without any reasoning whatsoever.

Being aggrieved by the Order passed by the Company Law Board, Kolkata, the Company filed an Appeal U/s.10F of the Companies Act, 1956 before the Hon'ble High Court at Calcutta. After several hearing, the Hon'ble High Court at Calcutta passed an Order dated 26<sup>th</sup> April, 2011, appointing Special Officer to advertise on 2<sup>nd</sup> May, 2011 in 2 (two) leading newspapers, 1 (one) in English and 1 (one) in Bengali inviting tenders for leasing out the warehouse, situated inside the Rampur Texpro Unit of the Company on Leave and License basis at best available terms and submit report before the Hon'ble High Court at Calcutta by 11<sup>th</sup> May, 2011. The matter came up for hearing on 12<sup>th</sup> May, 2011 and fixed for further hearing on 18<sup>th</sup> May, 2011.

## **AUDITORS**

M/s. Mookerjee Banerjee & Co, Chartered Accountants, Auditors of the Company, hold office until conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

## **AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars required under Section 217(1)(e) of the Companies Act, 1956 are not applicable to the Company. There has been no inflow or outflow of foreign exchange during the year.

## **PERSONNEL**

Since there was no employee in the service of the Company drawing remuneration in excess of the prescribed limits, the provision of Section 217(2A) of the Companies Act, 1956 read with the rules there under are not applicable.

Place: Kolkata

Dated: 16<sup>th</sup> May, 2011

On behalf of the Board

J. Pujara  
M.K.Roy } Directors

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## **COMPLIANCE CERTIFICATE UNDER RULE 3 OF THE COMPANIES (COMPLIANCE CERTIFICATE ) RULES, 2001.**

CIN : U17232WB1993PLC061248      Nominal Capital : Rs. 220,000,000/-

To, The Members, Champdany Constructions Ltd., 33, C. R. Avenue, Kolkata-700012.

We have examined the registers, records, books and papers of **M/s. Champdany Constructions Ltd.** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanation furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per provisions and rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and rules made thereunder.
3. The company, being a public limited company, has the minimum prescribed paid up capital .
4. The Board of Directors duly met 4 (Four) times respectively on 21<sup>st</sup> May, 2010; 31<sup>st</sup> July, 2010; 28<sup>th</sup> October, 2010 and 12<sup>th</sup> January, 2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolution passed in the Minutes Book maintained for the purpose .
5. The company was not required to close its Register of Members or Debenture holders during the financial year .
6. The annual general meeting for the financial year ended on 31, March, 2010 was held on 31<sup>st</sup> July, 2010

after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose .

7. No Extra Ordinary General Meeting was held during the financial year .
8. The company has not advanced any loans to its directors or persons or firms or companies referred to u/s. 295 of the Act .
9. The company has not entered into any contracts falling within the purview of Sec. 297 of the Act .
10. The company was not required to make any entries in the register maintained u/s. 301 of the Act.
11. As there were no instances falling within the purview of Sec. 314 of the Act , the company has not obtained any approvals from the Board of Directors , members or Central Govt., as the case may be .
12. The company has not issued any duplicate certificates during the financial year .
13. The Company has :
  - i) not made any allotment/transfer/transmission of securities during the financial year .
  - ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year .
  - iii) not posted warrants to any member of the company as no dividend was declared during the financial year .
  - iv) duly complied with the requirement of section 217 of the Act .
14. The Board of Directors of the company is duly constituted . There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year .
15. The company has not appointed any managing director/whole-time director/manager during the financial year .
16. The company has not appointed any sole selling agents during the financial year .
17. The company was not required to obtain any approvals of the Central Govt., CLB , Regional Director, ROC and/or such authorities prescribed under the various provisions of the Act .
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder .
19. The company has not issued any securities during the financial year.
20. The company has not bought back any shares during the financial year .
21. There was no redemption of preference shares or debentures during the financial year .
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares , pending registration of transfer of shares .
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of Sec. 58A during the financial year .
24. The Company has not made any borrowings during the financial year ending 31<sup>st</sup> March, 2011.
25. The company has made Investments to other Bodies Corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The company has not made loans or advances or given guarantee or provided securities to other Bodies Corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny .
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny .
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the year under scrutiny.
31. There were no prosecution initiated against or show cause notices received by the company, during the financial year , for offences under the Act .
32. The company has not received any money as security from its employees during the financial year .
33. The company has not deducted any contribution towards Provident Fund during the financial year.

For B K G & COMPANY  
Company Secretaries  
BINOD KUMAR GUPTA  
Partner  
(C. P. No.- 3242)

Place : Kolkata

Date : 16<sup>th</sup> May, 2011.

## ANNEXURE A

Registers as maintained by the Company

1) Register of Investments u/s. 49, (2) Register of Charges u/s. 143/Copies of instruments creating charge u/s. 136., (3) Register of members u/s. 150 and Index of members u/s. 151., (4) Register of Transfers., (5) Register and Returns u/s. 163., (6) Minutes Book of Board Meetings., (7) Minutes Book of General Meetings., (8) Books of Accounts and other cost records u/s. 209., (9) Register of particulars of contracts in which directors are interested u/s. 301., (10) Register of directors, managing director, manager and secretary u/s. 303., (11) Register of director's shareholdings u/s. 307., (12) Register of Investments or loans made, guarantee given or security provided u/s.372A, (13) Register of director's attendance.

## ANNEXURE B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2011.

Sl. No.	Form No./Return	Filed u/s	For	Date of filing	Whether filed within prescribed time. Yes/No.	If delay in filing whether requisite additional fee paid. Yes/No.
1.	Annual Return	159	For the AGM held on 31/07/2010	17/09/2010	YES	N. A.
2.	Balance Sheet	220	As on 31/03/2010.	23/08/2010	YES	N. A.
3.	Secretarial Compliance Certificate	383A	For the year ended 31/03/2010.	23/08/2010	YES	N. A.
4.	Form 22B	187C(4)	Declaration of beneficial interest in shares as on 10/10/2004	05/04/2010	No	Yes

## AUDITORS' REPORT TO THE MEMBERS OF CHAMPDANY CONSTRUCTIONS LIMITED.

1. We have audited the attached Balance Sheet of **Champdany Constructions Limited**, as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that: -
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account ;
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
    - (b) in the case of the Profit and Loss Account, of the LOSS for the year ended on that date.

For Mookerjee Banerjee & Co,  
Chartered Accountants,  
Firm Registration No. : 301025E  
Sanjoy Ghosh, Partner  
M. No. 54748

Place: Kolkata

Date : 16<sup>th</sup> May, 2011

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date attached)

- 1 (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed of a substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2. According to information and explanations provided to us, the Company does not hold any stock.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly the paragraphs 4(iii)(b), 4(iii)(c), 4(iii)(d), 4(iii)(e), 4(iii)(f) and 4(iii)(g), of the Order, are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any major weakness in internal controls.
5. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the Register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(v)(b) of the Order is not applicable.
6. The Company has not accepted any deposits from the public.
7. In our opinion and in accordance with the information and explanations given to us, there has no formal internal audit system but internal control is exercised departmentally, which is commensurate with the size of the Company and the nature of its business.
8. The provisions relating to clause 4(viii) of the Companies (Auditor's Report) Order, 2003 relating to maintenance of cost records as per clause (d) of sub section (1) of section 209 of the Act are not applicable to the Company.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including income tax, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed dues, as above which were outstanding for more than six months as at 31st March, 2011.
10. The Company has accumulated losses as at 31st March, 2011 and has incurred cash losses during the financial year ended on that date.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit / fund / societies are not applicable to the Company.
14. In our opinion, and on the basis of our examination of the records, proper records have been maintained of the transactions and contracts related to shares, securities and other investments held by the Company. We also report that the shares, securities and other investments are held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to information and explanations given to us, the Company has not availed of any term loans during the year and did not have any outstanding loan at the beginning of the year.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to information and explanations given to us, there are no funds raised on short term basis which has been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
19. As the Company has no debentures outstanding at time during the year, the clause is not applicable to the Company.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Mookerjee Banerjee & Co.,  
Chartered Accountants,  
Firm Registration No. 301025E  
Sanjoy Ghosh, Partner  
M. No. 54748

Place : Kolkata  
Date : 16<sup>th</sup> May, 2011

**BALANCE SHEET AS AT 31ST. MARCH, 2011****CHAMPDANY CONSTRUCTIONS LIMITED**

(Rupees)

<b>SOURCE OF FUNDS</b>	<b>Sch.</b>	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
<b>SHAREHOLDERS' FUNDS</b>			
<b>SHARE CAPITAL</b>	<b>"A"</b>	81,019,590	81,019,590
<b>RESERVE &amp; SURPLUS</b>			
Profit & Loss Account		-	1,898,201
<b>UNSECURED LOANS</b>	<b>"B"</b>	4,378,000	1,203,000
<b>Total</b>		<b>85,397,590</b>	<b>84,120,791</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	<b>"C"</b>	84,640,858	84,637,949
<b>INVESTMENTS</b>	<b>"D"</b>	195,000	195,000
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	<b>"E"</b>	1,291,034	689,617
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>"F"</b>	1,853,804	2,346,775
<b>Net Current Assets</b>		(562,770)	(1,657,158)
<b>MISCELLANEOUS EXPENDITURE</b>			
<b>Other Item</b>			
(Expenditure incurred for Authorised capital increase)		945,000	1,050,000
Less : Written off		105,000	105,000
<b>PROFIT &amp; LOSS ACCOUNT</b>		284,502	-
<b>Total</b>		<b>85,397,590</b>	<b>84,120,791</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS.****"G"**

The Schedules referred to above forms integral part of the Balance Sheet

This is the Balance Sheet referred to in our Report of even date,

For **MOOKERJEE BANERJEE & CO.**

Chartered Accountants., FRN 301025E

**Sanjoy Ghosh, Partner.**

M.No. 54748

On behalf of the Board

J. Pujara

M.K.Roy

} Directors

Kolkata, the 16th May, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST. MARCH, 2011**

(Rupees)

	<b>As at 31st March, 2011</b>	<b>As at 31st March, 2010</b>
<b>Income</b>		
Rent Received - (TDS Rs.46,709/-, Prev. Year Rs.4,39,595/-)	423,467	4,234,650
Licence Fees - (TDS Rs. Nil Prev. Year Rs. 99,000/-)	-	990,000
Liabilities no longer required	388,699	-
	<b>812,166</b>	<b>5,224,650</b>
<b>Expenditure</b>		
Audit Fees	3,309	3,309
Advertisement	-	10,180
Conveyance	1,234	1,155
Directors' Fees	3,000	3,750
Electricity Charges	409,288	331,360
Security Service Charges	621,404	653,797
Professional Service Charges	90,576	33,445
Filing Fees	7,250	4,560
Insurance Premium	35,177	24,812
Legal Expenses	913,191	42,000
Profession Tax	2,500	2,500
Miscellaneous Expenditure	2,799	12,743
Municipal & Corporation Tax	194,696	388,699
Carried Forward	<b>22,84,424</b>	<b>1512310</b>

**PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST. MARCH, 2011 (Contd.)**

**CHAMPDANY CONSTRUCTIONS LIMITED**

(Rupees)

	<u>As at 31st March, 2011</u>	<u>As at 31st March, 2010</u>
Brought Forward	22,84,424	15,12,310
Rent	1,200	1,200
Printing & Stationery	13,969	1,029
Bank Charges	221	472
Trade Licence	1,950	33,150
Telephone Charges	16,769	10,439
Filing Fees to the extent written off	105,000	105,000
Depreciation (As per Secudele C)	436,336	415,188
	<u>2,859,869</u>	<u>2,078,788</u>
Profit/(Loss) for the year	(2,047,703)	3,145,862
Less: Provision for Taxation	135,000	1,050,000
	<u>(2,182,703)</u>	<u>2,095,862</u>
Add: Balance brought forward from Previous year	1,898,201	(197,661)
<b>Balance carried to Balance Sheet</b>	<b><u>(284,502)</u></b>	<b><u>1,898,201</u></b>

This is the Profit & Loss Accounts referred to in our Report on the Balance Sheet of even date.

For **MOOKERJEE BANERJEE & CO.**  
Chartered Accountants., FRN. 301025E  
**Sanjoy Ghosh** Partner.

M.No. 54748

On behalf of the Board

J. Pujara }  
M.K.Roy } Directors

Kolkata, the 16th May, 2011.

Schedule forming part of Balance Sheet

	<u>SCHEDULE</u>	<u>As at 31st March, 2011</u>	<u>As at 31st March, 2010</u>
<b>SHARE CAPITAL</b>	<b>A</b>		

**AUTHORISED**

2,20,00,000 Equity shares of Rs. 10/- each 220,000,000 220,000,000

**ISSUED, SUBSCRIBED AND PAID UP**

81,01,959 Equity Shares of Rs. 10/- each fully paid up 81,019,590 81,019,590

All the shares are held by the holding company AI Champdany Industries Ltd and out of the same 80,51,879 equity shares have been allotted as fully paid up being the consideration for transfer of Rampur Texpro Unit of Holding company AI Champdany Industries Ltd duly approved by the shareholders, without payment received in cash

**UNSECURED LOANS**

**B**

Advance in nature of Interest free Loan from its Holding Company, AI Champdany Industries Ltd.

4,378,000 1,203,000

**FIXED ASSETS**

**C**

Particulars	Balance as on 01.04.2010	Additions	Deduction	Total as on 31.03.2011	Dep. for the year	Balance As on 31.03.2011	Balance As on 31.03.2010
Land	58,128,400	-	-	58,128,400	-	58,128,400	58,128,400
Building	26,509,549	439,245	-	26,948,794	436,336	26,512,458	26,509,549
Total	84,637,949	439,245	-	85,077,194	436,336	84,640,858	84,637,949
Prev year	82,759,722	2,293,415	-	85,053,137	415,188	84,637,949	82,759,722

	<u>SCHEDULE -</u>	<u>As at 31st March, 2011</u>	<u>As at 31st March, 2010</u>
<b>INVESTMENTS ( UNQUOTED ) :</b>	<b>D</b>		

National Electronics Private Ltd. 250 (250) Equity Shares of Rs 100/- each 25,000 25,000

Eastern Services Private Ltd. 2500 (2500) Equity Shares of Rs 10/- each 25,000 25,000

Circus Avenue Properties Private Ltd. 2500 (2500) Equity Shares of Rs 10/- each 25,000 25,000

Libra Transport Ltd. 200 (200) Equity Shares of Rs 100/- each 20,000 20,000

Coopers Capital Markets Ltd. 1000 (1000) Equity Shares of Rs 100/- each 100,000 100,000

195,000 195,000

**CHAMPDANY CONSTRUCTIONS LIMITED**

(Rupees)

	<u>Schedule</u>	<u>As at 31st March, 2011</u>	<u>As at 31st March, 2010</u>	
CURRENT ASSETS & LOANS & ADVANCES	E			
A. CURRENT ASSETS				
CASH & BANK BALANCES				
Cash-in-hand (as certified by Management)		1,328	4,639	
Cash at Bank in Current Account		<u>23,867</u>	<u>27,233</u>	31,872
B. LOANS & ADVANCES				
Advance		-	43,615	
Deposits		69,493	69,493	
Recoverable		2,692	2,692	
Advance Payment of Tax		<u>11,93,654</u>	<u>1,265,839</u>	<u>657,745</u>
			<u>1,291,034</u>	<u>689,617</u>
CURRENT LIABILITIES & PROVISIONS	F			
A. CURRENT LIABILITIES				
Sundry Creditors		666,638	1,018,268	
Temporary Bank OD Balance		-	275,507	
Tax Deducted at Source Payable		<u>2,166</u>	<u>3,000</u>	1,296,775
B. PROVISIONS :				
Provision for Taxation		<u>1,185,000</u>	<u>1,050,000</u>	
		<u>1,853,804</u>	<u>2,346,775</u>	

Schedule 'G'

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

**1. ACCOUNTING POLICIES**

(A) System of Accounting :

The Company prepares its financial statements on accrual basis and in accordance with generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 1956.

(B) Fixed Assets :

Depreciation have been charged on building on straight line method.

(C) Investments :

Investments are stated at cost. Suitable provisions are considered for permanent diminution in value wherever required.

**2. NOTES TO ACCOUNTS**

(A) Related party Disclosures :

Holding Company – AI Champdany Industries Limited

(B) There are no joint ventures of the company.

(C) Earnings per share:

	<u>For the year ended</u> <u>31st March, 2011</u>	<u>For the year ended</u> <u>31st March, 2010</u>
Profit after Taxation / (Loss)	(21,82,703)	20,95,862
Weighted average number of equity		
Shares outstanding -	81,01,959	81,01,959
Basic and diluted earnings per Share		
In rupees (Face Value Rs.10/- per share)	NIL	0.26

(D) Deferred Tax has not been considered, as income of the Company consists only "Income from House Property".

(E) Previous years figures have been rearranged / regrouped wherever considered necessary.

**CHAMPDANY CONSTRUCTIONS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST. MARCH, 2011**

(Rupees )

	<u>As at 31st March 2011</u>	<u>As at 31st March 2010</u>
A. Cash Flow from Operating Activities		
Net Profit before tax / (Loss)	(2,047,703)	3,145,862
Adjustment for :		
Miscellaneous Expenditure Written off	105,000	105,000
Depreciation	436,336	415,188
Operating Profit/(Loss) before Working Capital changes	<u>(1,506,367)</u>	<u>3,666,050</u>
Adjustment for changes in Working Capital :-		
Decrease in Receivable	-	18,000
Decrease/(Increase) in Advance	43,615	(28,615)
Decrease/(Increase) in TDS	(651,709)	(538,855)
Increase/(Decrease) in current liabilities	(351,630)	392,958
Decrease in Security Deposit	-	(1,693,860)
Increase/(Decrease) in TDS payable	<u>(834)</u>	<u>3,000</u>
Net Cash Flow from Operating Activities	(2,466,925)	1,818,678
B. Cash Flow from Investing Activities		
Proceeds for sale of Investment	-	25,000
Purchase of Fixed Assets	<u>(439,245)</u>	<u>(439,245)</u>
C. Cash Flow from Financing Activities		
Loan Received	<u>3,175,000</u>	<u>153,000</u>
Net increase/(decrease) in cash and cash equivalents	268,830	(296,737)
Cash and Cash equivalent at the beginning of the period	<u>(243,635)</u>	<u>53,102</u>
Cash and Cash equivalent at the end of the period	<u><u>25,195</u></u>	<u><u>(243,635)</u></u>

This is Cash Flow Statement referred to in our Report of even date.

For MOOKERJEE BANERJEE & CO.

Chartered Accountants.

FRN. 301025E

Sanjoy Ghosh, Partner.

M.No. 54748

on behalf of the Board

J. PUJARA }  
M. K. ROY } Directors

Kolkata, the 16th May, 2011

**Balance Sheet Abstract and Company's General Business Profile**

(Statement pursuant to part IV of schedule VI to the Companies Act, 1956)

- I. Registration Details : CIN : U17232WB1993PLC061248 State Code : 21 Balance Sheet Date : 31.03.11
- II. Capital raised during the year  
Public Issue : Nil Rights Issue : Nil Private Placement : Nil Bonus Issue : Nil
- III. Position of Mobilisation and Deployment of Funds (Rupees in Thousand)

Total Liabilities	85,398	Total Assets	85,398
Source of Funds		Application of Funds	
Paid up Capital	81,020	Net Fixed Assets	84,641
Reserve & Surplus	Nil	Investments	195
Secured Loans	Nil	Net Current Assets	(563)
Unsecured Loans	4,378	Miscellaneous Expenditure	840
Deferred Tax Liability	Nil	Accumulated Loss	285
- IV. Performance of the company

Turnover	812	Total Expenditure	2860
(Gross Revenue)		Profit/(Loss) After Tax	(2,183)
Profit/(Loss) Before Tax	(2,048)		
Earning per Share	Nil	Equity Dividend Rate	Nil
- V. General Names of Principal Products/Service of company-

Item Code No.	Nil		
Product description	Nil		

For and on behalf of the Board

J. Pujara }  
M.K.Roy } Directors

Place : Kolkata, Date : 16th May 2011

## **AIC PROPERTIES LIMITED**

### **DIRECTORS' REPORT**

Dear members,

Your directors are pleased to present the 2<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2011.

#### **Summarized Financial Results**

(Amount in Rupees)

	<u>For the year ended 31-03-2011</u>
Income	20,740
Expenditure	2, 17,015
Net Loss	(1, 96,275)
Profit brought forward from previous year	1,397
Net Accumulated Loss Carried to Balance Sheet	(1, 94, 878)

#### **Review of Operations**

The activities of the Company have not been started yet. The unutilized fund has been provided as temporary advance to Holding Company charging thereon interest @ 10% per annum.

#### **Dividend**

In view of no operations as such your Directors do not recommend any dividend.

#### **Directors**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Mrinal Kanti Roy, Director, retire by rotation at the 2<sup>nd</sup> Annual General Meeting and being eligible has offered himself for re-appointment.

#### **Particulars of Employees**

During the period under review the Company has no employee. As such no question of falling within the purview of Section 217(2A) of the Companies Act, 1956.

#### **Directors' Responsibility Statement**

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (a) in the preparation of annual accounts, the applicable accounting standard have been followed alongwith proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2011 and of the loss of the Company for that financial year ;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the Annual Accounts on a going concern basis.

#### **Legal Matters**

The Company has been impleaded in two petitions filed by Blancatex AG and Aldgate International SA, against AI Champdany Industries Ltd., the parent company of the Company before the Company Law Board. The said two separate petitions under Section 397 and 398 of the Companies Act, 1956 amongst other things, have challenged the proposed transfer of Shalimar Unit by AI Champdany Industries Ltd. to the Company. In view of the said challenge the Company Law Board vide its order dated 12/01/2010 has restrained AI Champdany Industries Ltd. from giving effect to the postal resolution by which consent of its shareholders for transfer to the Company was sought.

The Company has strongly contested its impleadment in the proceedings as the petitioners are not shareholders of the Company and the challenge is without any merit, as the shareholders of the AI Champdany Industries Ltd, as per the information available with the Company, have already approved the proposed transfer. However the matter is pending before the Company Law Board, Kolkata.

#### **Conservation of Energy, Research and Development, Technology Absorption etc.**

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein , the Company's

operation hasn't been started yet and do not involve any substantial consumption of energy. Also R&D, Technology Absorption etc is not applicable at this stage.

There is no foreign exchange earning or outgo during the financial period under review.

**Auditors**

M/s. Ray Moulik & Co., Chartered Accountants, auditors of the Company, hold office until conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Place: Kolkata  
Date: May 16, 2011

For and on behalf of the Board  
J. Pujara }  
M. K. Roy } Directors

---

**AUDITORS' REPORT TO THE MEMBERS OF AIC PROPERTIES LIMITED**

1. We have audited the attached Balance Sheet of **AIC Properties Limited** as at 31<sup>st</sup> March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit ;
  - ii) In our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of those books ;
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
  - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;
  - v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31<sup>st</sup> March, 2011, from being appointed as a Director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting Principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
    - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
    - (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Dated: Kolkata;  
The 16<sup>th</sup> day of May, 2011

**For RAY MOULIK & CO.**  
Chartered Accountants  
**H. S. GHOSH**  
Proprietor  
Membership No. 5886

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF: AIC PROPERTIES LIMITED  
REFERRED TO IN OUR REPORT OF EVEN DATE**

1. The Company does not own any fixed assets ;
2. The Company does not have any inventory during the year ;
3. The Company has neither granted nor taken any loans, secured or unsecured to/from Companies, Firms or other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956 ;
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business ;
5. According to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 ;
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under ;
7. Maintenance of cost records has not been prescribed by the Central Government ;
8. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable ;
9. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities ;
10. The Provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Benefit Fund / Societies are not applicable to this Company ;
11. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments ;
12. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions ;
13. The Company has not raised any short term loan during the year ended March 31, 2011 ;
14. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 ;
15. The Company has not issued any debentures that were outstanding at any time during the year ;
16. The Company has not raised any money by public issue during the year ;
17. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit ;
18. Other paragraphs of the Order are not applicable to the Company.

Dated: Kolkata;  
The 16<sup>th</sup> day of May, 2011

**For RAY MOULIK & CO.**  
Chartered Accountants  
**H. S. GHOSH**  
Proprietor  
Membership No. 5886

**BALANCE SHEET AS AT 31ST MARCH, 2011**

**AIC PROPERTIES LIMITED**  
(Amount in Rupees)  
As at 31-03-2011      As at 31-03-2010

**SOURCES OF FUNDS:****SHAREHOLDERS' FUNDS:**

Share Capital	1	500,000	500,000
Reserves & Surplus	2	-	1,397
<b>TOTAL :</b>		<u>500,000</u>	<u>501,397</u>

**APPLICATION OF FUNDS:****CURRENT ASSETS, LOANS & ADVANCES:**

Cash and Bank Balances	4	11,903	11,473
Other Current Assets	5	15,568	9,702
Loans and Advances	6	205,152	301,078
		<u>232,623</u>	<u>322,253</u>

**LESS: CURRENT LIABILITIES & PROVISIONS:**

(a) Current Liabilities	3A	89,456	1,663
(b) Provisions	3B	650	650
		<u>90,106</u>	<u>2,313</u>

NET CURRENT ASSETS 142,517 319,940

MISCELLANEOUS EXPENDITURE: 162,605 181,457

(To the extent not written off / adjusted)

PROFIT AND LOSS ACCOUNT - DEBIT BALANCE 194,878 -

**TOTAL :** 500,000 501,397

Notes to Accounts & Accounting Policies 10

The Schedules referred to above form an integral part of the Accounts.

This is the Balance Sheet referred to in our Report of even date.

For Ray Moulik & Co.

Chartered Accountants

H. S. Ghosh, Proprietor

Membership No.5886

Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

For and on behalf of the Board

J. Pujara }  
M. K. Roy } Directors

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

(Amount in Rupees)

	<u>Schedule</u>	<u>For the year ended</u> <u>31-03-2011</u>	<u>For the period from</u> <u>12-11-2009 to 31-03-2010</u>
<b><u>INCOME</u></b>			
Other Income	8	20,740	10,780
<b><u>EXPENDITURE</u></b>			
Administration Expenses	9	198,163	1,663
Preliminary Expenses (Written Off)		18,852	7,070
Profit/(Loss) Before Tax		<u>217,015</u>	<u>8,733</u>
Provision for Taxation		<u>(196,275)</u>	<u>2,047</u>
- Current Year		-	650
Profit/(Loss) After Tax		<u>(196,275)</u>	<u>1,397</u>
Balance brought forward from Previous Year		1,397	-
Balance Carried Forward to Next Year		<u>(194,878)</u>	<u>1,397</u>

Notes to Accounts & Accounting Policies 10

The Schedules referred to above form an integral part of the Accounts.

This is the Profit and Loss Account referred to in our Report of even date.

For Ray Moulik & Co.

Chartered Accountants

H. S. Ghosh, Proprietor

Membership No.5886

Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

For and on behalf of the Board

J. Pujara }  
M. K. Roy } Directors

**SCHEDULES****ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31<sup>ST</sup>, 2011**

(Amount in Rupees)

	As at 31-03-2011	As at 31-03-2010
<b>1 SHARE CAPITAL</b>		
<u>AUTHORISED:</u>		
5,00,000 Equity Shares of Rs.10/- each	50,00,000	50,00,000
	<u>50,00,000</u>	<u>50,00,000</u>
<u>ISSUED, SUBSCRIBED &amp; PAID UP</u>		
50,000 Equity Shares of Rs.10/- each	5,00,000	5,00,000
	<u>5,00,000</u>	<u>5,00,000</u>
<u>NOTE:</u>		
All the Ordinary Shares are held by the Holding Company A I Champdany Industries Limited & its nominees.		
<b>2 RESERVES AND SURPLUS</b>		
<u>Revenue Reserve</u>		
Surplus as per Profit and Loss Account	-	1,397
	<u>-</u>	<u>1,397</u>
<b>3 CURRENT LIABILITIES &amp; PROVISIONS:</b>		
A. <u>CURRENT LIABILITIES</u>		
Audit Fees	1,206	1,103
Certificates & Other Services	-	500
Legal Expenses	88,250	60
	<u>89,456</u>	<u>1,663</u>
B. <u>PROVISIONS:</u>		
Provision for Taxation		
- Income Tax	650	650
	<u>90,106</u>	<u>2,313</u>
<b>4 CASH AND BANK BALANCES:</b>		
With Scheduled Banks:		
On Current Account	11,903	11,473
	<u>11,903</u>	<u>11,473</u>
<b>5 OTHER CURRENT ASSETS:</b>		
Interest Receivable	15,568	9,702
	<u>15,568</u>	<u>9,702</u>
<b>6 LOANS AND ADVANCES:</b>		
(Unsecured, Considered Good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	200,000	300,000
Tax Deducted At Source - Receivable	3,152	1,078
Advance Payment of Income Tax	2,000	-
[Deposited for the F.Y. 2009 - 2010]		
	<u>205,152</u>	<u>301,078</u>
<b>7 MISCELLANEOUS EXPENDITURE:</b>		
Preliminary Expenses B/F	181,457	188,527
<u>Less: Written off</u>	18,852	7,070
	<u>162,605</u>	<u>181,457</u>

**SCHEDULES****AIC PROPERTIES LIMITED**ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31<sup>ST</sup>, 2011

(Amount in Rupees)

For the Year ended  
31.03.2011For the period from  
12.11.2009 to 31.03.2011**OTHER INCOME**

Interest

[Tax deducted at source Rs.2,074/-]

20,740

10,780

20,74010,780**9 ADMINISTRATION EXPENSES**

Audit Fees

1,103

1,103

Certificates &amp; Other Services

-

500

Legal Expenses

195,440

60

Rent

1,320

-

Sundry Expenses

300

-

198,1631,663**10. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31<sup>ST</sup>, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE****A Significant Accounting Policies****1 Basis of Accounting**

The financial statements are prepared under historical cost convention on an accrual and comply with the Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006.

**2 Revenue Recognition**

Interest income is recognised on the time proportion basis.

**3 Taxation**

The provision for Income Tax is made at the rate of tax as applicable for the income of the previous year as defined under the Income Tax Act, 1961.

**4 Miscellaneous Expenditure**

Preliminary Expenses would be amortized in equal proportions over a period of ten years.

**B Notes to Accounts:**

1 The Company has no employee. As such there has been no question of any one drawing remuneration requiring disclosure under section 217(2A) of the Companies Act, 1956.

2 There being no depreciable asset owned and/or held by the Company, the question of differential tax liability and /or differential tax asset does not arise in this year.

3 Since the Company has not conducted any business during the Year, Accounting Standard - 17 for Segment Reporting is not applicable.

(Amount in Rupees)

As at  
31-03-2011As at  
31-03-2010

4 Advances recoverable in cash or for value to be received includes:

Amount recoverable from Holding Company

200,000

3,00,000

5 Auditors' Remuneration (including Service Tax)

1,206

1,103

6 Related party Disclosure:

(a) Parties where control exists:

Holding Company

- AI Champdany Industries Limited

(b) Other related parties with whom transaction have taken place during the period:

NIL

NIL

**AIC PROPERTIES LIMITED**

(c) Transactions during the year:

<u>Nature of Transaction</u>	<u>March 31st, 2011</u>	<u>March 31st, 2010</u>
<u>Transaction with the Holding Company during the period:</u>		
Interest on Advances Receivable	20,740	10,780
Advances Paid	-	3,30,000
Advances Received Back	(100,000)	(30,000)

(d) Outstanding

	<u>March 31<sup>st</sup>, 2011</u>	<u>March 31<sup>st</sup>, 2010</u>
Advances Receivable	200,000	3,00,000
Interest Receivable	15,568	9,708

7 There are no joint ventures of the company.

8 Previous period's figures have been rearranged/regrouped wherever considered necessary.

As per our report of even date      Signature to Schedules 1 to 10

For Ray Moulik & Co.  
Chartered Accountants

H. S. Ghosh  
Proprietor  
Membership No.5886  
Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

For and on behalf of the Board

J. Pujara  
M. K. Roy } Directors

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011**

	For the Year ended <u>31.03.2011</u>	(Amount in Rupees) For the period from <u>12-11-2009 to 31-03-2010</u>
<b>A. <u>CASH FLOW FROM OPERATING ACTIVITIES:</u></b>		
Profit/(Loss) Before Tax	(196,275)	2,047
Adjustment for:		
Preliminary Expenditure written off	18,852	7,070
Interest Income	<u>(20,740)</u>	<u>(10,780)</u>
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(198,163)	(1,663)
Adjustment for:		
(Increase)/Decrease in other Receivable	(5,866)	(9,702)
(Decrease)/Increase in Trade Payable	<u>87,793</u>	<u>1,663</u>
	<u>81,927</u>	<u>(8,039)</u>
Cash Generated from operations	(116,236)	(9,702)
Less : Direct Taxes Paid	<u>(4,074)</u>	<u>(1,078)</u>
Net Cash from/(Used in) Operating Activities	(120,310)	(10,780)
<b>B. <u>CASH FLOW FROM INVESTING ACTIVITIES:</u></b>		
Interest Received	<u>20,740</u>	<u>10,780</u>
Net Cash from/(used in) Investing Activities	20,740	10,780
<b>C. <u>CASH FLOW FROM FINANCING ACTIVITIES:</u></b>		
Proceeds from Share Capital	-	500,000
Temporary Advances	100,000	(300,000)
Preliminary Expenses	<u>-</u>	<u>(188,527)</u>
	<u>100,000</u>	<u>11,473</u>
D. Net increase in Cash & Cash Equivalent (A+B+C)	430	11,473
E. Cash and Cash equivalent as at the beginning of the year	<u>11,473</u>	<u>-</u>
F. Cash and Cash equivalent at the end of the year (D+E)	<u>11,903</u>	<u>11,473</u>

**AIC PROPERTIES LIMITED**

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011 (Cont.)**

	For the Year ended 31.03.2011	(Amount in Rupees) For the period from 12-11-2009 to 31-03-2010
<b>Notes to Cash Flow Statement</b>		
<b>Cash and Cash equivalent include :</b>		
Cash in hand	-	-
With Scheduled Bank :		
On Current Account	11,903	11,473
<b>Total</b>	<b>11,903</b>	<b>11,473</b>

As per our report of even date

For Ray Moulik & Co.

Chartered Accountants

H. S. Ghosh

Proprietor

Membership No.5886

Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

For and on behalf of the Board

J. Pujara  
M. K. Roy } Directors

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(as required under part IV of the schedule VI of the Companies Act, 1956)

I	Registration Details CIN: U70109WB2009PLC139326	State Code : 21	Balance Sheet Date : 31-03-2011
		<b>(Rupees in Thousand)</b>	
II	Capital raised during the year		
	Public Issue Nil	Right Issue Nil	Bonus Issue Nil
			Private Placement Nil
III	Position of Mobilisation and Deployment of Funds		
	Total Liabilities	500	Total Assets
			500
	<u>Sources of Funds</u>		<u>Application of Funds</u>
	Paid up Capital	500	Net Fixed Assets
			Nil
	Reserve & Surplus	Nil	Investments
			Nil
	Secured Loans	Nil	Net Current Assets
			142
	Unsecured Loans	Nil	Misc. Expenditure
			163
			Accumulated Loss
			195
IV	Performance of the company		
	Turnover	21	Total Expenditure
			(217)
	Profit/(Loss) Before Tax	(196)	Profit/(Loss) After Tax
			(196)
	Earning per Share (Rs)	Nil	Dividend Rate (%)
			Nil
V	Generic Names of three Principal Products of company		Not applicable
	(As per Monetary Terms)		

For and on behalf of the Board

Place : Kolkata

Dated : The 16th Day of May, 2011

J. Pujara  
M. K. Roy } Directors

## **WEST BENGAL MULTIFIBER JUTE PARK LTD.**

### **DIRECTORS' REPORT**

Dear members,

Your directors are pleased to present the 3<sup>rd</sup> Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2011.

#### **Summarized Financial Results**

(Amount in Rupees)

For the year ended 31-03-2011

Income	-
Expenditure	82,715
Net (Loss) for the year	(82,715)
(Loss) brought forward from previous year	(91,365)
Net Accumulated (Loss) carried to Balance Sheet	(1, 74,080)

#### **Review of Operations**

The activities of the Company have not been started yet. The Company is implementing the project under the guideline of Scheme for Integrated Textile Park / Jute Technology Mission of Ministry of Textile Government of India and the project has been approved by National Jute Board for its further progress.

#### **Dividend**

In view of no operations as such your directors do not recommend any dividend.

#### **Directors**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Bhushan Wadhwa, Director, retire by rotation at the 3<sup>rd</sup> Annual General Meeting and being eligible has offered himself for re-appointment.

#### **Particulars of Employees**

During the period under review the Company has no employee. As such no question of falling within the purview of Section 217(2A) of the Companies Act, 1956.

#### **Directors' Responsibility Statement**

In pursuance of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2011 and of the loss of the Company for that financial year;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the Annual Accounts on a going concern basis.

#### **Conservation of Energy, Research and Development, Technology Absorption etc.**

Since the activities of the Company have been restricted merely to completing the Jute Technology Mission of Ministry of Textile, Government of India. (JTM projects), there is nothing significant to be mentioned under this head. There is no foreign exchange earning or outgo during the financial year under review.

#### **Auditors**

M/s. Agasti & Associates, Chartered Accountants, statutory auditors of the Company, hold office until conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

#### **Listing**

The equity shares of the Company are not listed in any of the Stock Exchanges.

#### **Acknowledgement**

Your Directors convey their sincere gratitude to the members, creditors, government and statutory authorities, banks for the continued support to the Company

Place: Kolkata

Date : May 16, 2011

For and on behalf of the Board

B. Wadhwa  
N. Pujara } Directors

## **AUDITORS' REPORT TO THE MEMBERS OF WEST BENGAL MULTIFIBER JUTE PARK LIMITED**

1. We have audited the attached Balance Sheet of **West Bengal Multifiber Jute Park Limited** as at 31<sup>st</sup> March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31<sup>st</sup> March, 2011, from being appointed as a Director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting Principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
    - (b) in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
    - (c) in the case of Cash Flow Statement, of the Cash Flows for the Year ended on that date.

Dated: Kolkata;  
The 16<sup>th</sup> day of May, 2011

For Agasti & Associates  
Chartered Accountants  
Mrityunjoy Bandyopadhyay  
Partner  
Membership No. 050968

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF WEST BENGAL MULTIFIBER JUTE PARK LIMITED, REFERRED TO IN OUR REPORT OF EVEN DATE**

1. The Company does not own any fixed assets ;
2. The Company does not have any inventory during the year ;
3. The Company has neither granted nor taken any loans, secured or unsecured to/from Companies, Firms or other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956 ;
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business ;
5. According to the information and explanations provided by the management, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 ;
6. The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under ;
7. Maintenance of cost records has not been prescribed by the Central Government ;
8. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable ;
9. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities ;
10. The Provisions of any special statute applicable to Chit Fund / Nidhi / Mutual Benefit Fund / Societies are not applicable to this Company ;
11. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments ;
12. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions ;
13. The Company has not raised any short term loan during the year ended March 31, 2011 ;
14. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 ;
15. The Company has not issued any debentures that were outstanding at any time during the year ;
16. The Company has not raised any money by public issue during the year ;
17. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit ;
18. Other paragraphs of the Order are not applicable to the Company.

Dated: Kolkata;  
The 16<sup>th</sup> day of May, 2011

For Agasti & Associates  
Chartered Accountants  
Mrityunjoy Bandyopadhyay  
Partner  
Membership No. 050968

**WEST BENGAL MULTIFIBER JUTE PARK LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2011**

(Amount in Rupees)

	<u>Schedule</u>	<u>As at 31-03-2011</u>	<u>As at 31-03-2010</u>
<b><u>SOURCES OF FUNDS:</u></b>			
<b><u>SHAREHOLDERS' FUNDS:</u></b>			
Share Capital	1	500,000	500,000
<b>TOTAL:</b>		<u>500,000</u>	<u>500,000</u>
<b><u>APPLICATION OF FUNDS:</u></b>			
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES:</u></b>			
Cash at Bank	2	18,556	25,030
<b><u>LESS: CURRENT LIABILITIES &amp; PROVISIONS:</u></b>			
Current Liabilities	3	302,566	302,566
<b>NET CURRENT ASSETS</b>		<u>(284,010)</u>	<u>(277,536)</u>
<b>MISCELLANEOUS EXPENDITURE:</b>	4	609,930	686,171
(To the extent not written off / adjusted)			
<b>PROFIT AND LOSS ACCOUNT - DEBIT BALANCE</b>		<u>174,080</u>	<u>91,365</u>
<b>TOTAL:</b>		<u>500,000</u>	<u>500,000</u>

Notes to Accounts & Accounting Policies 6  
The Schedules referred to above form an integral part of the Accounts  
This is the Balance Sheet referred to in our Report of even date.

For Agasti & Associates  
Chartered Accountants  
Mrityunjay Bandyopadhyay  
Partner  
Membership No. 050968  
Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

For and on behalf of the Board  
B. Wadhwa }  
N. Pujara } Directors

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

(Amount in Rupees)

	<u>Schedule</u>	<u>For the year ended 31-03-2011</u>	<u>For the year ended 31-03-2010</u>
<b><u>INCOME</u></b>			
		-	-
<b><u>EXPENDITURE</u></b>			
Administration Expenses	5	6,474	9,974
Preliminary Expenses		76,241	76,241
		<u>82,715</u>	<u>86,215</u>
Profit/(Loss) Before Taxation		(82,715)	(86,215)
Debit Balance brought forward from previous year		(91,365)	(5,150)
Balance carried forward to next year		<u>(174,080)</u>	<u>(91,365)</u>

Notes to Accounts & Accounting Policies 6  
The Schedules referred to above form an integral part of the Accounts.  
This is the Profit & Loss Account referred to in our Report of even date.

For Agasti & Associates  
Chartered Accountants  
Mrityunjay Bandyopadhyay  
Partner  
Membership No. 050968  
Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

For and on behalf of the Board  
B. Wadhwa }  
N. Pujara } Directors

**West Bengal Multifiber Jute Park Limited**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31ST, 2011 & PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

	(Amount in Rupees)	
	As at 31-03-2011	As at 31-03-2010
<b><u>SCHEDULE - 1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
AUTHORISED		
5,00,000 Equity Shares of Rs.10/- each	50,00,000	50,00,000
	<u>50,00,000</u>	<u>50,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
50,000 Equity Shares of Rs.10/- each	5,00,000	5,00,000
	<u>5,00,000</u>	<u>5,00,000</u>
<b><u>SCHEDULE - 2</u></b>		
<b><u>CASH AT BANK</u></b>		
WITH SCHEDULED BANK		
In Current Account	13,556	25,030
In Escrow Account	5,000	-
	<u>18,556</u>	<u>25,030</u>
<b><u>SCHEDULE - 3</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS:</u></b>		
CURRENT LIABILITIES		
Audit Fees	1,654	1,654
Advances from Holding Company		
- AI Champdany Industries Limited	300,912	300,912
	<u>302,566</u>	<u>302,566</u>
<b><u>SCHEDULE - 4</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE:</u></b>		
Preliminary Expenses B/F	129,989	144,432
Less: Written Off	<u>14,443</u>	<u>14,443</u>
Project Report Preparation Expenses B/F	556,182	617,980
Less: Written Off	<u>61,798</u>	<u>61,798</u>
	<u>609,930</u>	<u>686,171</u>
	For the year ended	For the year ended
	<u>31-03-2011</u>	<u>31-03-2010</u>
<b><u>SCHEDULE - 5</u></b>		
<b><u>ADMINISTRATION EXPENSES</u></b>		
Audit Fees	1,654	1,654
Legal Expenses	3,500	7,000
Office Rent	1,320	1,320
	<u>6,474</u>	<u>9,974</u>

**WEST BENGAL MULTIFIBER JUTE PARK LTD.**

**SCHEDULE - 6**

**NOTES TO ACCOUNTS AND ACCOUNTING POLICIES ANNEXED TO AND FORMING PART OF ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

**(1) Accounting Policies:**

- |    |                                  |   |   |
|----|----------------------------------|---|---|
| a. | Method of Accounting             | : | The company maintains its accounts under the historical cost convention on an accrual basis, and complies in all material aspects, with generally accepted accounting principles in India read with the relevant provisions of the Companies Act, 1956.     |
| b. | Fixed Assets                     | : | The Company does not have any Fixed Assets, However, Fixed Assets in future, would be stated at the Cost of Acquisition less Depreciation, determined on a written down value basis, at rates not less than those prescribed under the Companies Act, 1956. |
| c. | Depreciation                     | : | The company does not own or hold any depreciable assets. However, in future, Depreciation would be calculated in the manner prescribed in Schedule XIV to the Companies Act, 1956.  |
| d. | Investments                      | : | Investments of long term nature would be stated at cost less permanent diminution in value, if any. Current Investments would be stated at lower of cost or net realizable value.   |
| e. | Provision of Retirement Benefits |   | There being no employee during the relevant accounting year, the Payment of Gratuit Act, 1972 does not apply. Gratuity, as and when applicable, will be accounted for on accrual basis.   |
| f. | Revenue                          | : | Income is recognized on accrual basis, except where mentioned otherwise.  |
| g. | Miscellaneous Expenditure        |   | i) Preliminary Expenses would be amortized in equal proportions over a period of ten years.<br>ii) Project Report Preparation Expenses would be amortized in equal proportions over a period of ten years.  |

**(2) Notes to Accounts:**

- a. The Company has no employee. As such there has been no question of any one drawing remuneration requiring disclosure under section 217(2A) of the Companies Act, 1956.
- b. There being no depreciable asset owned and/or held by the Company, the question of differential tax liability and/or differential tax asset does not arise in this year.
- c. Since the Company has not conducted any business during the Year, Accounting Standard - 17 for Segment Reporting is not applicable;
- d. Previous Year's figures have been rearranged/regrouped wherever considered necessary.
- e. Balance Sheet Abstract and Company's General Business Profile are given in the separate sheet attached.

As per our report of even date

Signature to Schedules 1 to 6

For Agasti & Associates  
Chartered Accountants  
Mrityunjoy Bandyopadhyay  
Partner  
Membership No. 050968  
Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

For and on behalf of the Board

B. Wadhwa N. Pujara	}	Directors
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**West Bengal Multifiber Jute Park Limited**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

(Amount in Rupees)

For the year ended  
31-03-2011

For the year ended  
31-03-2010

**A. CASH FLOW FROM OPERATING ACTIVITIES :**

Net Profit/(Loss) Before Tax	(82,715)		(86,215)	
Adjustment for:				
Preliminary Expenses written off	76,241	(6,474)	76,241	(9,974)
Increase /(Decrease) in Current Liabilities & Provisions		-		(1,996)

**B. CASH FLOW FROM INVESTING ACTIVITIES:**

**C. CASH FLOW FROM FINANCING ACTIVITIES:**

Net increase in Cash & Cash Equivalent		(6,474)		(11,970)
Add: Cash and Cash equivalent as at the beginning of the year		25,030		37,000
Cash and Cash equivalent at end of the year		18,556		25,030

**Cash and Cash equivalent as at end of the year includes**

Cash in hand		-		-
Balance with Scheduled Banks				
- Current Account		13,556		25,030
- Escrow Account		5,000		-
		18,556		25,030

This is the Cash Flow Statement referred to in our Report of even date.

For Agasti & Associates  
Chartered Accountants  
Mrityunjay Bandyopadhyay  
Partner  
Membership No. 050968  
Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

For and on behalf of the Board  
B. Wadhwa }  
N. Pujara } Directors

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(As required under part IV of the schedule VI of the Companies Act, 1956)

<b>I</b>	<u>Registration Details</u>				
	CIN: U17125WB2008PLC127928	State Code : 21		Balance Sheet Date: 31-03-2011	
<b>II</b>	<u>Capital raised during the year</u>			(Rupees in Thousand)	
	Public Issue	Nil	Right Issue		Nil
	Bonus Issue	Nil	Private Placement		Nil
<b>III</b>	<u>Position of Mobilisation and Deployment of Funds</u>				
	Total Liabilities	500	Total Assets		500
	<u>Sources of Funds</u>		<u>Application of Funds</u>		
	Paid up Capital	500	Net Fixed Assets		Nil
	Reserve & Surplus	Nil	Investments		Nil
	Secured Loans	Nil	Net Current Assets		(284)
	Unsecured Loans	Nil	Misc. Expenditure		610
			Accumulated Loss		174
<b>IV</b>	<u>Performance of the company</u>				
	Turnover	Nil	Total Expenditure		(83)
	Profit/(Loss) Before Tax	(83)	Profit/(Loss) After Tax		(83)
	Earning per Share	Nil	Dividend Rate (%)		Nil
<b>V</b>	<u>Generic Names of three Principal Products of company</u>				
	(As per Monetary Terms)				Not applicable

For and on behalf of the Board  
B. Wadhwa }  
N. Pujara } Directors

Dated: Kolkata, the 16<sup>th</sup> day of May, 2011

To  
The Board of Directors  
AI Champdany Industries Limited  
25, Princep Street, Kolkata – 700 072

Dear Sir, Report on the Consolidated Financial Statement of AI Champdany Industries Limited  
for the year ended 31st March 2011

- A. We have audited the attached Consolidated Balance Sheet of AI Champdany Industries Limited, and its subsidiary, ("the group") as at 31<sup>st</sup> March 2011, the Consolidated Profit & Loss Account of the group for the year then ended on that date and the Consolidated Cash Flow Statement of the group for the year then ended on that date, both annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- B. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- C. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (net) of Rs.2515126/- as at 31<sup>st</sup> March 2011 and total expenses (net) of Rs.79899/- for the year then ended. These financial statements have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
- D. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company, its subsidiary included in the consolidated financial statements.
- E. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of separate audit reports on individual audited financial statements of AI Champdany Industries Limited and its subsidiary, the aforesaid consolidated financial statements together with the notes thereon and attached thereto and the statement on Significant Accounting Policies, *subject to the notes on Schedule – 17 regarding the matters set out in para F below*, give a true and fair view in conformity with accounting principles generally accepted in India.
- a) In the case of the Consolidated Balance Sheet, of the Consolidated State of Affairs of the group as at 31<sup>st</sup> March 2011.
- b) In the case of the Consolidated Profit & Loss Account of the Consolidated Results of operation of the group for the year then ended and
- c) In case of the Consolidated Cash Flow Statement of the consolidated cash flow of the group for the year then ended.
- F. i) *Non ascertainment of profit / loss on outstanding commodity hedging materials as at the end of the year, as referred to in note 15 in schedule 17*
- ii) *Pending assessment of losses in respect of stocks of finished goods damaged by fire, no adjustment has been made to the accounts as referred to in notes 16 of schedule 17.*
- iii) *Non-provision/ascertainment of liability for gratuity on actuarial basis from the year commencing from 1<sup>st</sup> April 1997 to 31<sup>st</sup> March 2007 in respect of one unit of the company, as referred to in Note 17 in Schedule 17; \**
- iv) *Recognition of remission of taxes by Sales Tax Authority in the accounts, as referred to in Note 18 (a) in Schedule 17; \**
- v) *Non ascertainment/ provision of possible loss which may arise for non recovery of interest free loans and advances in the nature of loans as referred to in note 18(b) in schedule 17\**  
*\*relates to erstwhile Anglo India Jute Mills Company Ltd*
- vi) *Non-provision of possible losses arising from diminution in the year end carrying cost of investments, advances, deposits with companies and Sundry Debtors as referred to in notes 18(e) & 18 (f) in schedule 17\*\*.*
- vii) *Assets & Liabilities in Bangladesh as at 31<sup>st</sup> March 2011 could not be verified, as referred to in note 18(g) in Schedule-17. \*\**  
*\*\* relates to the subsidiary of erstwhile Anglo-India Jute Mills Company Limited.*

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

Place: Kolkata  
Date: May 30, 2011

# AI CHAMPDANY INDUSTRIES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

Rupees

	Schedule	As at 31 March			
		2011		2010	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds :</b>					
Share Capital	1	196,736,765		196,736,765	
Reserves & Surplus	2	897,187,930		845,152,958	
			1,093,924,695		1,041,889,723
<b>Loan Funds :</b>					
Secured loans	3	1,034,654,203		916,698,639	
Unsecured Loans	4	31,901,242		31,901,242	
			1,066,555,445		948,599,881
			2,160,480,140		1,990,489,604
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block		3,029,892,254		2,931,768,375	
Less : Depreciation		2,069,067,186		2,009,424,750	
Net Block		960,825,068		922,343,625	
Capital Work In Progress		113,319,091		113,892,489	
	5		1,074,144,159		1,036,236,114
<b>Investments</b>	6		86,457,846		91,590,886
<b>Current Assets, Loans And Advances :</b>					
Inventories	7	1,412,285,965		1,280,078,574	
Sundry Debtors	8	148,615,449		80,931,395	
Cash and Bank balances	9	20,031,840		15,305,439	
Loans and Advances	10	243,416,063		265,614,329	
		1,824,349,317		1,641,929,737	
<b>Less : Current Liabilities and Provisions :</b>					
Current Liabilities	11	784,997,883		699,659,057	
Provisions	12	20,864,189		60,996,965	
		805,862,072		760,656,022	
<b>Net Current Assets</b>			1,018,487,245		881,273,715
<b>Deferred Tax Liability</b>			(19,256,997)		(19,222,328)
<b>Miscellaneous Expenditure</b> (to the extent not written off/adjusted)					
<b>Share Issue Expenses</b>			162,605		181,457
<b>Profit &amp; Loss Account</b>			55,522		-
<b>Net Assets in Bangladesh</b>			429,760		429,760
			2,160,480,140		1,990,489,604
<b>Notes to Consolidated Accounts</b>	17				

In terms of our report of even date attached  
D. P. Sen & Co.  
Chartered Accountants  
S. K. Nayak  
Partner  
Membership No. 58711  
Kolkata, 30th May, 2011

B. K. Chowdhury  
Senior General Manager (Accounts) &  
Company Secretary

For and On behalf of the Board

B. Wadhwa }  
N. Pujara } Directors  
Kolkata, 30th May, 2011

# AI CHAMPDANY INDUSTRIES LIMITED

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

Rupees

	Schedule	2010--11		2009-10	
<b>INCOME</b>					
Sales and Related Income	13		3,413,304,589		2,447,627,524
Income from other sources	14		35,602,459		14,202,355
			<b>3,448,907,048</b>		<b>2,461,829,879</b>
<b>EXPENDITURE</b>					
Operating Expenses	15		3,558,108,635		2,404,100,629
(Increase)/Decrease in stocks of finished goods and work-in-process			(238,311,910)		(102,576,162)
Depreciation	5	82,403,798		86,801,308	
Less : Depreciation on amount added on Revaluation		(8,676,302)		(9,557,499)	
Recoupment from Capital Reserves		(8,449,000)		(343,058)	
			65,278,496		76,900,751
Interest	16		61,580,084		67,535,479
			<b>3,446,655,305</b>		<b>2,445,960,697</b>
<b>Profit before exceptional items</b>			<b>2,251,743</b>		<b>15,869,182</b>
Exceptional items(Net)			(93,455)		(8,336,451)
<b>Profit/(Loss) before Taxation</b>			<b>2,158,288</b>		<b>7,532,731</b>
Provision for taxation					
- Current Tax		690,000		1,526,650	
- Deferred Tax (Assets)		34,669		(2,396,332)	
			724,669		(869,682)
<b>Profit/(Loss) after Taxation for the year</b>			<b>1,433,619</b>		<b>8,402,413</b>
Balance brought forward from previous year			109,394		44,166,660
Adjustment relating to earlier years (Taxes)			(1,598,535)		(52,459,679)
<b>Balance carried to Balance Sheet</b>			<b>(55,522)</b>		<b>109,394</b>
Earnings per share face value of Rs.5 each)					
(Basic and diluted)			0.06		0.37
<b>Notes to Consolidated Accounts</b>	17				

In terms of our report of even date attached  
D. P. Sen & Co.  
Chartered Accountants  
S. K. Nayak  
Partner  
Membership No. 58711  
Kolkata, 30th May, 2011

B. K. Chowdhury  
Senior General Manager (Accounts) &  
Company Secretary

For and On behalf of the Board

B. Wadhwa } Directors  
N. Pujara }

Kolkata, 30th May, 2011

# AI CHAMPDANY INDUSTRIES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2011

Rupees

	2010-11		2009-10
<b>A. Cash flow from Operating activities :</b>			
Profit before Taxation		2,158,288	7,532,731
Add/(Less):- Adjustments for :			
Depreciation	65,278,496		76,900,751
Dividend from Investments	(180,129)		(133,887)
Share Issue Expenses amortised	18,852		7,070
Interest	61,580,084		67,535,478
Surplus (Net) on disposal of Fixed Assets	(20,585,783)		(46,944,924)
Loss on sale of Investment	837,004		-
		<b>106,948,524</b>	<b>97,364,488</b>
Operating Profit before Working Capital Changes		<b>109,106,812</b>	<b>104,897,219</b>
Less:- Adjustments for :			
(Increase)/Decrease in Inventories	(132,207,391)		(209,184,840)
(Increase)/Decrease in Trade and Other Receivables	(45,485,788)		175,844,695
(Decrease)/Increase in Trade Payables	43,800,188		17,548,461
		<b>(133,892,991)</b>	<b>(15,791,684)</b>
Cash Generated from Operations :		<b>(24,786,179)</b>	<b>89,105,535</b>
(Add)/Less: Interest Paid	(62,062,665)		(68,198,883)
Direct Taxes paid	(589,893)		(14,326,067)
		<b>(62,652,558)</b>	<b>(82,524,950)</b>
Net Cash from / (used in) Operating Activities		<b>(87,438,737)</b>	<b>6,580,585</b>
<b>B. Cash flow from Investing Activities :</b>			
Purchase of Fixed Assets	(61,659,507)		(69,944,575)
Sale of Fixed Assets	20,603,405		50,043,269
Sale of Investments	2,641,746		-
Interest Received	232,095		470,793
Capital Subsidy Received	12,254,000		-
Dividend Received	180,129		133,887
Net Cash flow (used in) Investing Activities		<b>(25,748,132)</b>	<b>(19,296,626)</b>
<b>C. Cash flow from Financing Activities :</b>			
Proceeds from Share Capital	-		62,071,765
Proceeds from Loans	450,000,000		125,000,000
Repayments of Loans	(214,368,243)		(116,721,180)
Increase / (Decrease) in Bank Borrowings	(117,676,193)		(59,703,006)
Dividend Paid	(42,134)		(1,583,585)
Tax on Dividend	-		(261,723)
Repayment of Preference Shares	(160)		(2,130)
Payment to Fractional Shareholders	-		(45)
Preliminary Expenses	-		(188,527)
Net Cash from / (used in ) Financing Activities		<b>117,913,270</b>	<b>8,611,569</b>
Net increase / (decrease) in Cash and Cash Equivalents (A-B-C)		<b>4,726,401</b>	<b>(4,104,472)</b>
Cash and Cash Equivalents as at 1 April 2010		<b>15,305,439</b>	<b>19,409,911</b>
Cash and Cash Equivalents as at 31 March 2011		<b>20,031,840</b>	<b>15,305,439</b>

In terms of our report of even date attached

D.P. Sen & Co.

Chartered Accountants

S. K. Nayak

Partner

Membership No. 58711

Kolkata, 30th May 2011

For and On behalf of the Board

B. Wadhwa }  
N. Pujara } Directors

B.K. Chowdhury  
Senior General Manager (Accounts) &  
Company Secretary

Kolkata, 30th May 2011

**AI CHAMPDANY INDUSTRIES LIMITED**  
**SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS**

**Rupees**

SCHEDULE 1	As at 31 March			
	2011		2010	
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
40,000,000 (40,000,000 ) Equity shares of Rs. 5	200,000,000		200,000,000	
3,000,000 (3,000,000) 7% Cumulative Preference shares of Rs. 10 each	30,000,000		30,000,000	
24,000,000 (24,000,000) 2% Cumulative Preference shares of Rs 5 each	120,000,000	350,000,000	120,000,000	350,000,000
Issued, Subscribed and Paid up				
22,533,000 ( 22,533,000 ) Equity shares of Rs.5 each fully paid up*.	112,665,000		112,665,000	
2,200,000 ( 2,200,000 ) 7% Cumulative Preference Shares of Rs.10 each fully paid up**	22,000,000		22,000,000	
12,414,353 (12,414,353) Non Convertible 2% Cumulative Preference shares of Rs. 5/- each fully paid up.***	62,071,765	196,736,765	62,071,765	196,736,765
		196,736,765		196,736,765
Notes :				
* Out of the above 1,85,002 Equity shares were allotted as fully paid up bonus Shares and 20,250,048 Equity Shares were allotted as fully paid up shares on amalgamation of The Champdany Industries Ltd with the company, 484 shares were cancelled due to cross holding.				
** The Company has allotted 22,00,000 7% Cumulative Preference Shares of Rs. 10/- each on 25.09.04. which are redeemable at par on or before the expiring of twenty years from the date of allotment.				
***The Company has allotted 12,414,353 Non Convertible 2% Cumulative Preference Shares of Rs 5/- each on 30.03.2010 which are redeemable at par on or before fifteen years from the date of allotment with a locking period of three years. (Figure in brackets relate to previous year)				
<b>SCHEDULE 2</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Capital Reserves</b>				
Opening Balance	3,701,642		4,044,700	
Add: Received during the year	12,254,000		-	
Less: Recoupment of depreciation	(8,449,000)	7,506,642	(343,058)	3,701,642
<b>Capital Redemption Reserve</b>		8,000,000		8,000,000
<b>Investment Flactuation Reserve</b>		-		1,654,290
<b>Securities Premium Account</b>		246,400,000		246,400,000
<b>Revaluation Reserve</b>				
Opening Balance	295,669,232		305,226,731	
Less : Amount transferred to Profit & Loss Account				
- Depreciation for the year on amount added on revaluation	(8,676,302)		(9,557,499)	
Add : - Revaluation during the year	58,669,958	345,662,888	-	295,669,232
<b>General Reserve</b>		288,765,947		288,765,947
<b>Deferred Tax Reserve</b>		852,453		852,453
<b>Profit &amp; Loss Account</b>		-		109,394
		897,187,930		845,152,958

**AI CHAMPDANY INDUSTRIES LIMITED**  
**SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS**

**Rupees**

SCHEDULE 3	As at 31 March			
	2011		2010	
<b>SECURED LOANS</b>				
<b>From Banks/ Financial Institution</b>				
Cash Credit / Packing Credit Accounts*	485,718,914		511,395,107	
Working Capital Demand Loan*	-		92,000,000	
Corporate Term Loan from Bank**	150,000,000		-	
Term Loan From Bank***	270,000,000		100,000,000	
		905,718,914		703,395,107
<b>From Financial Institution</b>				
Loans Term ****		128,935,289		213,303,532
		1,034,654,203		916,698,639

**Notes:**

- \* Secured by hypothecation on stocks of raw material, stock -in-process, stores, manufactured goods, book debts, bill, moveable plant & machinery and other current assets and also mortgage on second charge basis by deposit of title deeds by constructive delivery with Exim Bank, Exim Bank acting as agent of the consortium of banks, all documents of title evidences, deeds and writings in order to create a security on the Company's immovable properties together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to the earth and also by way of second charge on 100% shareholding of Champdany Constructions Ltd, a wholly own Subsidiary of the Company.
- \*\* Secured by first charge over the fixed assets of the company ranking pari-passu with the Exim Bank.
- \*\*\* Secured by deposit of title deeds of the property owned by other Companies.
- \*\*\*\* Secured by first charge on the entire fixed assets of the company, present and future and also pledge of 100% shareholding of Champdany Constructions Ltd, a wholly own subsidiary of the Company in favour of Exim Bank and second pari- passu charge on the entire current assets of the company, present and future.

SCHEDULE 4				
<b>UNSECURED LOANS</b>				
From Bodies Corporate		29,000,000		29,000,000
Interest accrued and due		2,901,242		2,901,242
		31,901,242		31,901,242

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

### SCHEDULE 5 : FIXED ASSETS

Rupees

	GROSS BLOCK AT COST / VALUATION					DEPRECIATION / AMORTISATION				NET BLOCK	
Description	As at 1 April 2010	Increase in value on revaluation	Additions during the year	Sales/ Adjustments during the year	As at 31 March 2011	As at 1 April 2010	For the year	On assets sold/adjusted during the year	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Goodwill on consolidation	2,325,000	-	-	-	2,325,000	-	-	-	-	2,325,000	2,325,000
Freehold Land	260,221,688	52,156,785	-	-	312,378,473	-	-	-	-	312,378,473	260,221,688
Leasehold Land	19,734,216	-	-	-	19,734,216	2,748,396	224,481	-	2,972,877	16,761,339	16,985,820
Buildings	476,929,431	6,513,173	4,781,128	-	488,223,732	323,516,744	13,426,601	-	336,943,345	151,280,387	153,412,687
Plant & Machinery											468,938,022
- General	2,054,638,532	-	54,962,320	22,778,984	2,086,821,868	1,585,700,510	65,573,343	22,761,362	1,628,512,491	458,309,377	14,869,707
- Electrical	82,966,691	-	1,998,395	-	84,965,086	68,096,984	1,791,176	-	69,888,160	15,076,926	684,814
Motor Vehicles	6,680,148	-	234,400	-	6,914,548	5,995,334	211,823	-	6,207,157	707,391	4,905,887
Furniture, Fittings and Office Equipments	28,272,669	-	256,662	-	28,529,331	23,366,782	1,176,374	-	24,543,156	3,986,175	
Sub - total	2,931,768,375	58,669,958	62,232,905	22,778,984	3,029,892,254	2,009,424,750	82,403,798	22,761,362	2,069,067,186	960,825,068	922,343,625
Capital Work-in- Progress					113,319,091					113,319,091	113,892,489
Total					3,143,211,345					1,074,144,159	1,036,236,114
As at 31st March 2010	2,825,531,361		109,680,434	3,443,420	3,045,660,864	1,922,968,517	86,801,308	345,075	2,009,424,750	1,036,236,114	
Note – Free hold land and building of Beldange unit has been revalued during the year.											

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS

Rupees

SCHEDULE 6	As at 31 March	
	2011	2010
<b>INVESTMENTS - Long Term</b>		
<b>- Trade (Quoted)</b>		
Woolcombers of India Limited, ( In liquidation) 1,63,592 Equity Shares of Rs, 10/- each	1	1
<b>- Other than Trade</b>		
<b>In Government Securities :</b>		
National Savings Certificate (VIII) Issue	4,000	4,000
<b>In fully paid up shares and debentures</b>		
<b>Quoted:</b>		
Tata Global Beverages Limited (Formerly known as Tata Tea Ltd) 4650 (2009-10; 465) Equity Shares of Re.1 (2009-10; Rs. 10) each	2,300	2,300
UCO Bank Limited., 15,000 Equity Shares of Rs.10 each	449,250	449,250
Oil Country Tubular Limited, 40,000 Equity Shares of Rs. 10 each	878,000	878,000
Rama Newsprint and Paper Limited. 10,000 Equity Shares of Rs.10 each	588,000	588,000
Fresenius Kabi Oncology Ltd, (Formerly known as Dabur Pharma Limited) 12,500 Equity Shares of Re. 1 each	625,000	625,000
Aptech Limited, 10,300 Equity Shares of Rs. 10 each	366,680	366,680
Oriental Carbon & Chemicals Limited., 15 Equity Shares of Rs. 10 each	1,005	1,005
RPG Cables Limited., 21 Equity Shares of Rs. 10 each	300	300
Basanti Cotton Mills Limited (Erstwhile) 10 Equity Shares of Rs.10 each	73	73
	<b>2,910,608</b>	<b>2,910,608</b>
<b>Unquoted:</b>		
Woodlands Hospital & Medical Research Centre Limited, 165, 1/2% Debentures of Rs.100 each	13,001	13,001
23,000 non- redeemable 5% Regd Debenture Stock 1957	23,000	23,000
Wellington Jute Mills Employees' Co-operative Stores Limited. 250 "B" class shares of Rs.10 each	2,500	2,500
Anglo India Employees Co-operative Stores Limited. 250 "B" class shares of Rs.10 each	2,500	2,500
Naffar Chandra Jute Mills Limited. 50,000 Equity Shares of Rs.10 each	10,000	10,000
Forfar Weavers Limited., U.K. Nil (2009-10; 76,000) Equity Share of STG pound 1 each	-	5,133,040
Chitrakoot Investments Limited 40 ,11% Cumulative Redeemable Preference Shares of Rs.100 each	4,020	4,020
Volga Investments Limited 58,170 Equity Shares of Rs. 10 each	581,704	581,704
100 , 11% Redeemable Cumulative Preference Shares of Rs.100 each	10,050	10,050
Disciplined Investments Ltd., 100 11% Redeemable Cumulative Preference Shares of Rs.100 each	10,050	10,050
Preoption Investments Limited 120,670 Equity Shares of Rs. 10 each	1,206,452	1,206,452
100, 11% Redeemable Cumulative Preference Shares of Rs.100 each	10,050	10,050
Champdany Construction Limited 8101959 Equity Shares of Rs 10 each	81,219,910	81,219,910
West Bengal Multifiber Jute Park Limited 45000 Equity Shares of Rs 10 each.	450,000	450,000
	<b>83,543,237</b>	<b>88,676,277</b>
	<b>86,457,846</b>	<b>91,590,886</b>
Notes: 1) Aggregate Market Value of the Quoted Shares <b>Rs.74,09,486</b> (31.3.2010 Rs. 88,61,594) 2) Tata Global Beverage Ltd split the face value of equity share from Rs 10 to Re 1 each. 3) Where Quotations are not available, cost has been considered as the market value.		

**AI CHAMPDANY INDUSTRIES LIMITED**  
**SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS**

**Rupees**

<b>SCHEDULE 7</b>	<b>As at 31 March</b>	
	<b>2011</b>	<b>2010</b>
<b>INVENTORIES</b>		
Stores and Spares	<b>83,307,659</b>	80,288,093
Raw Materials	<b>244,625,867</b>	353,749,952
Work-in-Process	<b>180,335,457</b>	114,297,390
Finished Goods	<b>900,827,203</b>	728,553,360
Others	<b>3,189,779</b>	3,189,779
	<b>1,412,285,965</b>	1,280,078,574
<b>SCHEDULE 8</b>		
<b>SUNDRY DEBTORS</b>		
<b>Unsecured</b>		
Debtors over six months		
Considerd good	<b>18,010,698</b>	17,851,691
Considerd doubtful	<b>540,004</b>	540,004
	<b>18,550,702</b>	18,391,695
Less: Provision for doubtful debtors	<b>8,594</b>	8,594
	<b>18,542,108</b>	18,383,101
Debtors below six months	<b>130,073,341</b>	62,548,294
	<b>148,615,449</b>	80,931,395
<b>SCHEDULE 9</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	<b>584,053</b>	465,175
With Scheduled Banks:		
- In Current Accounts	<b>901,029</b>	1,020,876
- In Cash Credit Accounts	<b>17,803,943</b>	13,034,279
- In Unpaid Dividend Accounts	<b>600,941</b>	642,940
- In Redemption cum Unpaid Dividend Account	<b>104,817</b>	105,112
- In Preference share Account	<b>25,000</b>	25,000
- In Fractional Share Account	<b>12,057</b>	12,057
	<b>20,031,840</b>	15,305,439
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES (Unsecured and Considered Good)</b>		
Claims/Amount Receivable	<b>153,963,701</b>	176,072,247
Advances recoverable in cash or in kind or for value to be received	<b>75,498,831</b>	75,152,231
Balances with Customs, Excise, Port Trust etc.	<b>1,795,672</b>	2,473,414
Deposits	<b>12,157,859</b>	11,916,437
	<b>243,416,063</b>	265,614,329

**AI CHAMPDANY INDUSTRIES LIMITED**  
**SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS**

**Rupees**

SCHEDULE 11	As at 31 March			
	2011		2010	
<b>CURRENT LIABILITIES</b>				
Sundry Creditors & Other Liabilities				
- Dues of SSI Undertakings	-		-	
- Others	771,014,814	771,014,814	687,418,789	687,418,789
Liability towards Investors Education and Protection Fund under section 205 C of the Companies act,1956 not due				
- Unpaid Dividends		649,328		691,462
- Money payable to shareholders on Fractional Share Account		12,057		12,057
-Unclaimed Redemption of Preference shares		25,000		25,000
- Redemption of Preference shares		56,430		56,590
Interest accrued but not due on loans		397,135		647,621
Statutory Liabilities		12,843,119		10,807,538
		784,997,883		699,659,057
<b>SCHEDULE 12</b>				
<b>PROVISIONS</b>				
Gratuity		15,954,582		57,786,000
Provision For Taxation	46,935,060		44,758,039	
Less: Advances	42,025,453	4,909,607	41,547,074	3,210,965
		20,864,189		60,996,965
<b>SCHEDULE 13</b>	2010-11		2009-10	
<b>SALES AND RELATED INCOME</b>				
Sales And Related Income		3,407,334,534		2,447,449,191
Less: Excise Duty & Cess		24,970,215		21,422,727
		3,382,364,319		2,426,026,464
Export Incentive		30,940,270		21,601,060
		3,413,304,589		2,447,627,524
<b>SCHEDULE 14</b>				
<b>INCOME FROM OTHER SOURCES</b>				
Surplus on disposal of Fixed Assets		20,585,783		35,928
Dividend from long term investments		180,129		133,887
Rent Received	5,908,706		7,072,927	
Less:Rent Paid	(2,534,021)	3,374,685	(3,137,888)	3,935,039
Miscellaneous Income		278,068		1,626,986
Exchange Difference		3,277,064		4,481,175
Liabilities no longer required written back		7,906,730		3,989,340
		35,602,459		14,202,355

**AI CHAMPDANY INDUSTRIES LIMITED**  
**SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNTS**

**Rupees**

<b>SCHEDULE 15</b>	<b>2010-11</b>		<b>2009-10</b>	
<b>OPERATING EXPENSES</b>				
<b>Employees' Remuneration and Benefits</b>				
Salaries, Wages and Bonus	<b>676,390,626</b>		493,178,076	
Contribution to Provident Funds and Other Funds	<b>73,874,850</b>		78,967,509	
Workmen and Staff Welfare Expenses	<b>7,386,644</b>		7,110,997	
		<b>757,652,120</b>		579,256,582
<b>OTHER EXPENSES</b>				
Raw Materials Consumed		<b>1,961,622,173</b>		1,193,640,072
Purchase of goods		<b>283,841,451</b>		164,069,279
Export Freight		<b>46,274,129</b>		21,351,284
Power & Fuel		<b>177,285,183</b>		131,917,938
Stores Consumed		<b>151,575,106</b>		112,970,666
Discounting charges on Export Bills		<b>3,865,307</b>		3,128,671
Bank Charges		<b>22,243,269</b>		17,205,922
Insurance		<b>6,552,105</b>		7,259,966
Transport & Handling		<b>91,408,834</b>		94,673,642
Repairs - Plant & Machinery	<b>777,167</b>		1,054,505	
- Buildings	<b>2,867,755</b>		2,443,053	
- Others	<b>336,708</b>	<b>3,981,630</b>	506,479	4,004,037
Brokerage, Commission and Market				
Promotion Expenses		<b>3,604,459</b>		12,482,630
Rates & Taxes		<b>3,598,654</b>		3,745,765
Directors' Fees		<b>391,200</b>		421,200
Auditors' Remuneration		<b>341,003</b>		341,003
Export Expenses		<b>7,127,392</b>		5,622,594
Processing Charges		<b>30,448,131</b>		29,389,006
Miscellaneous Expenses		<b>43,821,099</b>		30,493,878
Less: Amounts transferred to other accounts		<b>(37,524,610)</b>		(7,873,506)
		<b>3,558,108,635</b>		2,404,100,629
<b>SCHEDULE 16</b>				
<b>INTEREST</b>				
<b>Interest Charge</b>				
- On Fixed Loans	<b>31,808,119</b>		27,261,549	
- On Others	<b>30,004,060</b>	<b>61,812,179</b>	40,744,723	68,006,272
Less : Interest Income				
- On Loans & Deposits (Gross)*		<b>(232,095)</b>		(470,793)
<b>Interest (Net)</b>		<b>61,580,084</b>		67,535,479
* - Tax deducted at source : <b>Rs 24,461</b> ( 2009-10 Rs.24,026 )				

# AI CHAMPDANY INDUSTRIES LIMITED

## SCHEDULE FORMING PART OF THE CONSOLIDATED ACCOUNT

### SCHEDULE - 17

#### NOTES ON CONSOLIDATED ACCOUNTS

##### 1. Significant Accounting Policies:

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

##### 1.1. Accounting Convention :

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

##### 1.2. Fixed Assets:

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

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

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

##### 1.3. Depreciation :

(A) Depreciation on Fixed Assets have been provided for both on Straight line and Reducing balance method as hereunder. Method and rates consistently used for the purpose of depreciation charged for the year as follows:

##### 1) Plant & Machinery & Electrical Installation

##### Unit at Jagatdal

##### (a) Straight Line Method

##### i) Certain specified items (included in electrical installation

- Additions for the period 1.1.71 to 31.3.87 \* 5.25%

##### ii) Plant and Machinery and Electrical Installation

(other than (i) above)

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

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

- Additions from the year 1987-88 At rates prescribed in Schedule

XIV of the Companies Act, 1956

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

##### b) Reducing Balance Method

Certain portion of Electrical Installation  
and Plant & Machinery (added upto 1976)

At rates prescribed in Schedule  
XIV of the Companies Act, 1956

##### Other Units

##### (i) Reducing Balance Method

On Plant & Machinery acquired prior to 1st April 1979

At rates prescribed in Schedule  
XIV of the Companies Act 1956

##### (ii) Straight Line Method

On Plant & Machinery acquired after 31st March 1979  
on assets acquired upto 30th September 1986

At rates previously determined  
in accordance with Section  
205(2)(b) of the Companies Act, 1956.

On assets acquired after 30<sup>th</sup> September 1986

At rates prescribed in Schedule  
XIV of the Companies Act, 1956.

##### 2) Other assets on reducing balance Method

At rates prescribed in Schedule  
XIV of the Companies Act, 1956

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

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

- 1.4. Investments:  
Long-term investments are stated at cost less provision for permanent diminution if any, in the value of such investment. Dividend Income is accounted for on receipt.
- 1.5. Inventories:  
Inventories are valued on the following basis: (i) Raw Material at lower of cost and net realisable value, (ii) Finished Goods at lower of cost and contract value and net realisable value, (iii) Stores & Spares and work-in-process at cost or under.  
In the case of Raw Materials and Stores & Spares, cost is generally ascertained on weighted average basis. Work-in-process and Finished Goods are valued on full cost absorption basis. Necessary provision is made for obsolete, slow-moving, non-moving and defective items of inventories.
- 1.6. Capital Subsidy:  
Subsidies relating to Fixed Assets are initially credited to Capital Reserve and the amount is adjusted against the depreciation charged over the useful life of the asset.
- 1.7. Miscellaneous expenses:  
Share issue expenses are amortized over a period of ten years.
- 1.8. Foreign Currency transactions:
  - i) Monetary assets and liabilities relating to foreign currency transactions remaining unsettled at the year-end are translated at closing spot rates on the last day of the year.
  - ii) The difference in translation in monetary assets and liabilities and realised gains and losses in foreign exchange transactions other than those relating to fixed assets are recognised in the Profit & Loss Account.
  - iii) Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such fixed assets.
- 1.9. Sales:  
Sales comprise sale of goods and services and include freight and other charges recovered from customers.
- 1.10. Related Income:  
Export incentives / Related Income are accounted to the extent considered certain of realisation by the Management.
- 1.11. Retiral benefits:  
Contributions to the Provident and Superannuation Funds, which are in accordance with the respective schemes, are charged to revenue on accrual basis.  
Retirement benefits including gratuity are provided for in the Books of Accounts on the basis of actuarial valuation except one unit of the company, which has been treated on cash basis with effect from 1997-98 to 2006-07. Such liability has been provided on the basis of valuation made by the Actuary in line with the parameters & requirement of AS 15 (Revised 2005) issued by the Institute of Chartered Accountants of India.
- 1.12. Borrowing Costs:  
Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- 1.13. Revenue expenditure on Research & Development is charged to Profit & Loss Account of the year in which it is incurred.
- 1.14. Capital expenditure on Research & Development is shown as addition to Fixed Assets.
- 1.15. Insurance claims are recognised on receipt/assessment of related claim from Insurance Authorities.
- 1.16. Intangible Assets: Intangible Assets are stated at cost of acquisition less accumulated amortisation. Computer Software is amortized over a period of 5 years on Straight Line basis.
2. The consolidated financial statements have been prepared in accordance with Accounting Standard "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
3. The Consolidated Financial Statements have been prepared on the following basis:
  - (i) The financial statements of AI Champdany Industries Limited ("the Company") and its subsidiary Companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealized profit or losses.

- (ii) The difference between the costs of investment in the subsidiary over the equity of the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- (iii) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the consolidated Profit and Loss Account as the profit or loss on disposal of investment in subsidiary.
- (iv) The financial statement of the subsidiaries Landale & Clark Ltd and AIC Properties Ltd used in the consolidation are drawn upto the same reporting date as that of parent company i.e. 31<sup>st</sup> March 2011.
- The financial statements of Champdany Constructions Ltd and West Bengal Multifiber Jute Park Ltd have not been consolidated under AS-21, as the subsidiary control in these entities are temporary in nature.

Rs. in lacs		
	Year ended 31.03.11	Year ended 31.03.10
4. Estimated amount of contract remaining to be executed on capital account not provided for	190.88	59.84
5. Contingent liabilities in respect of:		
a) Bank Guarantees:	1737.78	985.39
b) Bank Guarantees issued by bank on pledged shares by other companies	432.54	432.54
c) Claims for Income Tax, Wealth Tax Commercial Taxes not acknowledged as debt and under appeal	1103.98	889.29
d) Other claims not acknowledged as debt	431.46	349.99
e) Bills drawn on customers and discounted with banks and advances against collection	443.64	311.86
6. Jute Carpets / Jute diversified Products have been treated as belonging to the same class as Jute / Jute Diversified Products.		
7. Segment Information:		
The Company has considered two Business Segments viz; Jute/jute diversified Products & Flax Products.		
(Rs. in lacs)		

A. Primary Segment Disclosure

Particulars	Jute & Jute diversified products		Flax products		Total	
	31.03.11	31.03.10	31.03.11	31.03.10	31.03.11	31.03.10
Revenue						
External Turnover	31775.21	23,401.46	2357.84	1,074.81	34133.05	24,476.27
Other Income	354.22	146.69	-	-	354.22	140.69
Result	177.25	584.10	458.34	165.24	635.59	749.34
Unallocated					1.80	1.34
Operating Profit					637.39	750.68
Interest Expenses					618.12	680.06
Interest Income					2.32	4.71
Income Taxes					7.25	(8.69)
Net Profit					14.34	84.02
Other Information						
Segment Assets	25541.04	22,923.20	3450.37	3,864.57	28991.41	26,787.77
Unallocated					864.58	915.91
Total Assets					29855.99	27703.68
Segment Liabilities	17662.09	15,682.86	1062.09	1,092.27	18724.18	16,775.13
Unallocated					192.57	509.65
Total Liabilities					18916.75	17,284.78
Capital Expenditure	573.21	655.77	43.39	43.68	616.60	699.45
Depreciation	656.08	629.88	81.19	142.56	737.27	772.44
Amortisation	23.22	3.43	61.27	-	84.49	3.43
Non-cash Expenses other than Depreciation and Amortisation					0.19	0.09

**B. Information about Secondary Segments**

**a) Revenue & Sundry Debtors as per Geographical Markets**

Particulars	Revenue		Sundry Debtors	
	31.03.11	31.03.10	31.03.11	31.03.10
India	24928.70	19,930.14	1108.36	618.94
Outside India	9560.37	4,688.16	377.79	190.37
	<u>34489.07</u>	<u>24,618.30</u>	<u>1486.15</u>	<u>809.31</u>

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

8. Deferred Tax:	Rs. in lacs	
	Year ended 31.03.11	Year ended 31.03.10
i) Liability at the beginning of the year	192.23	216.19
ii) Difference between book & tax depreciation	0.34	(23.96)
	<u>192.57</u>	<u>-</u>
iii) Deferred tax liability at the end of the year		<u>192.23</u>

**9. Related Party Disclosures**

**(a) List of Related Parties and Relationships:**

Party	Relationship
a) Champdany Constructions Limited	Subsidiary 100%
b) West Bengal Multifibre Jute Park Ltd	Subsidiary 90%
c) Mr. Nirmal Pujara	Key Management Personnel

**(b) Transactions during the year with related parties**

A) Subsidiaries	Rs. in lacs	
	Year ended 31.03.11	Year ended 31.03.10
i) Champdany Constructions Ltd.		
Advance paid	31.75	10.44
License fee paid	-	9.90
Balance amount as at 31st March, 2011	43.78	12.03
ii) West Bengal Multifibre Jute Park Ltd		
Advance paid	-	0.02
Balance amount as at 31st March, 2011	3.01	3.01
B) Key Management Personnel		
Mr. Nirmal Pujara		
Remuneration paid (whole time Director)	22.32	15.97

10. Auditors' Remuneration	Rs. in lacs	
	Year ended 31.03.11	Year ended 31.03.10
As Audit Fees	1.60	1.60
Tax audit	0.35	0.35
Corporate Governance	0.12	0.12
Consolidated Financial Statement	0.13	0.13
Limited Review	0.90	0.90
Service Tax	<u>0.31</u>	<u>0.31</u>
	<u>3.41</u>	<u>3.41</u>
11. Managerial Remuneration		
i) Whole-time Director		
Salary	18.17	12.00
Perquisites	<u>4.15</u>	<u>3.97</u>
	22.32	15.97
ii) Other Directors		
Sitting Fees	<u>3.91</u>	<u>4.21</u>
iii) Total (i + ii)	<u>26.23</u>	<u>20.18</u>

12. 100% EOU Narayanpur and Shalimar Unit have been closed with due process of law. Operations at 100% EOU Yarn Unit at Konnagar (de-bonded w e f 20<sup>th</sup> May 2011) continued to be under suspension. Working at Yarn Unit and Libra Carpet Unit at Choudwar have been suspended from 28th December 2005 and 1st May 2006 respectively. Management is of the view that the sale proceeds of the Fixed Assets relating to the Narayanpur, Choudwar, (Yarn) Konnagar and Shalimar Units would not be lower than the amount at they are carried in the books. The carrying values of assets of the cash generating units at Balance Sheet date are reviewed for impairment and management is of the view that there is no impairment exists. This has been relied upon by the Auditors'.
13. The Company's application to the Competent Authority for exemption from the provisions of the Urban Land (Ceiling and Regulation) Act, 1976 is pending approval.

	<u>Rs. in lacs</u>	
	<u>2010-11</u>	<u>2009-10</u>
14. Exceptional Item (net) represents:		
Provision for gratuity	-	(409.22)
Bad debt written off	-	(535.28)
Cess on debonding of EOUs	(0.93)	(9.41)
Total Debit	<u>(0.93)</u>	<u>(953.91)</u>
Provision for doubtful export debtors no longer required written back	-	401.46
Surplus from sale of fixed assets	-	469.09
Total Credit	<u>-</u>	<u>870.55</u>
Exceptional Item (Net)	(0.93)	(83.36)

15. Commodity Hedging Transactions:

In accordance with the policy consistently followed by the company, the outstanding commodity hedging contracts are accounted on the date of their settlement and realised gain / loss in respect of settled contracts are recognised in the Profit and Loss Account, along with the underlying transactions.

16. In respect of the fire occurred on 22nd April 2006 and 21st January 2011 at Wellington Jute Mill, Rishra the final assessment to the damage caused to Assets is yet to be completed by the insurance authorities. Pending such assessments, no adjustment has been made to the accounts to the extent of estimated loss of goods - 1059 MT - Rs.770.70 lacs (2009-10 – 1480 MT– Rs.694.23 lacs ).

The company has filed necessary claims with the insurance authorities and adjustments to the accounts would be effected on completion of assessment and settlement of related claims.

17. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. Accordingly, gratuity are accounted for in the books of accounts on accrual basis based on actuarial valuation except for gratuity for one unit of the company from 1997-98 to 2006-07 treated on cash basis and liability for the said period is not ascertained, but from financial year 2007-08 provided on accrual basis.

18. (a) The company has received the eligibility certificate from Sales Tax Authorities for the net value of fixed capital assets amounting to Rs.773 lacs and on gross addition to fixed assets amounting to Rs.616 lacs for the period from 1995-1996 to 1999-2000 and pending disposal of company's appeal for additional eligibility on the basis of gross value of fixed capital assets, an amount of Rs.1,119.57 lacs has been availed by the company on this account upto April, 2000. Adjustment, if any, on this account being currently not ascertainable, shall be considered as and when it arises.
- (b) Advances recoverable in cash or in kind or for value to be received - considered good includes Rs.26.93 lacs where although recoveries are not forthcoming but no provision has been made in the Accounts as the management considers these amounts are recoverable.
- (c) In the opinion of the management, no diminution of permanent nature in the year-end carrying value of investment with Landale & Clark Limited is likely to arise and accordingly no provision is considered necessary.

- (d) Sundry creditors include Rs75.71 lacs disputed by the management
  - (e) Sundry Debtors and advances recoverable in cash or in kind or for value to be received includes Rs. 5.31 lacs and Rs. 2.50 lacs respectively considered as doubtful and no provision in this respect has been made in accounts as in the opinion of the management these amount are expected to be recoverable.
  - (f) Going by the financials, provision that may be required to be made against possible loss, if any, in respect of company's investments in Chitrakoot Investments Limited, Disciplined Investments Limited, Volga Investments Limited and Preoption Investments Ltd. to the extent of Rs. 0.04 lacs, Rs. 0.10 lacs, Rs. 5.92 lacs and Rs. 12.17 lacs respectively and also in respect of deposits with Chitrakoot Investments Ltd. And Volga Investments Limited to the extent of Rs. 37.50 lacs and Rs. 7.40 lacs respectively is not ascertainable at this stage.
  - (g) Details of assets and liabilities in Bangladesh incorporated in this accounts and shown separately could not be made available to the Auditors for their verification.
19. By an Order passed by the Hon'ble Division Bench of the High Court at Calcutta, six winding-up matters were relegated to Civil Suits for a claim of Rs.319 lacs of the erstwhile promoters of Anglo-India Jute Mills Co Ltd (now AI Champdany Industries Ltd), being the unsecured loan disputed by the Company. As per direction of the High Court, Calcutta, the Company has provided required securities to the satisfaction of the Registrar, Original Side, Calcutta High Court till the disposal of the suits.
- Six suits were filed by the erstwhile promoters by their six respective companies. In the said suits a composite decree to the tune of Rs.2.77 crores is passed. Challenging the said decree six appeals are preferred by AI Champdany Industries Limited wherever a stay order is passed by the Hon'ble Division bench. The Plaintiff/ Respondents also filed cross appeals. All the appeals are at present in the list of the Hon'ble Division Bench for hearing.
20. The Company obtained an order passed by the Learned 1st Civil Judge, Senior Division at Alipore, directing Bailiff for handing over the vacant possession of the Company's flat at Woodland Syndicate, to the Company on the score of non-compliance of the order passed by the Hon'ble High Court wherein the decree passed by the Trial Court is under challenge. The process of handing over is still pending owing to resistance (forcefully) by the Judgement-Debtors and/or their men and agents. Company duly filed a miscellaneous proceeding for police help. The exact amount of claim on account of mesne-profit that will be ultimately received in respect of the wrongful occupation of the flat is not ascertainable at this stage and accordingly nothing has been accounted for as income in these accounts in respect of the aforesaid claim. Such claim will be accounted for as and when such amount is received by the company.
21. (a) According to Calcutta High Court Order of February, 1987 as modified in February 1988 in connection with pending litigation initiated by Goodricke Group Ltd. against Cosmopolitan Investments Ltd. and others including the company, the company is refrained from transferring the Fixed Assets (except dealing with the said Fixed Assets by creating charges and / or mortgages in favour of Financial Institutions / Nationalized Banks) till disposal of related applications except with the leave of Court. Accordingly, the deed of Conveyance pertaining to the relevant lower Mill's assets transferred in October 1986 pursuant to an agreement of sale dated 17th September 1986 is yet to be executed. This matter is sub-judice before the High Court of Calcutta.
- (b) Liability for Sales Tax and Raw Jute Tax dues pertaining to the period upto 4th February, 1994 (date of sanction of the Rehabilitation Scheme by BIFR) as finally confirmed in terms of BIFR Order dated 20th July, 1995, was Rs.466 lacs which has been paid by the company as per the Scheme sanctioned by BIFR and agreed by Sales Tax authorities.
22. The Company has maintained separate books of account for each of its 100% Export Oriented Weaving Unit at Rishra, Narayanpur and Konnagar (Yarn) (de-bonded w e f 20<sup>th</sup> May 2011) and for the Wellington Jute Mills and Yarn Unit at Rishra, Middle Mill, Fine Yarn and Flax Unit at Jagatdal and for the other units at, Konnagar (Weaving), Beldanga, Shalimar, Kankinara at West Bengal and Libra Carpet unit and Yarn Unit at Choudwar, Orissa.

23. As approved by the shareholders at the Annual General Meeting of the company held on 29th July 2008, the face value has been subdivided from one Equity Share of Rs.10/- each into two Equity shares of Rs.5/- each with effect from 19th September 2008.

24. The name of the company had been changed with the consent of the Central Government, from Anglo India Jute Mills Company Limited to AI Champdany Industries Limited with effect from 19th May, 2005.

25. The Remuneration Committee and the Board of Directors at their meetings held on 14<sup>th</sup> February 2011 revised and approved the remuneration of Mr. Nirmal Pujara, Executive Director (Mktg) for his balance tenure of service commencing from 01.01.2011 and upto 31.12.2012 as follows: -

**Salary:** Rs.1,50,000/- (Rupees one Lac Fifty Thousand) per month or Rs.18,00,000/- (Rupees Eighteen Lacs) in a year including dearness and all other allowances.

Mr. Pujara would also be entitled to following perquisites of which aggregate value is not to exceed Rs.3 Lacs per annum.

- i) Free furnished residential accommodation alongwith gas, water, electricity etc.
- ii) Reimbursement of medical expenses incurred for self and family subject to the ceiling of one month's salary in a year or three months salary over a period of three years.
- iii) Leave travel assistance for self and family once in a year by Air or AC first class in train.
- iv) Fees to clubs subject to a maximum of two clubs and the same will not include admission or life membership fees.
- v) Personal Accident Insurance as per Company's Personal Accident Scheme.
- vi) Car for use on Company's business.
- vii) Telephone at residence subject to refund of charges for personal long distance calls on telephone.

The following perquisites are excluded in computation of the ceiling of remuneration as above:

- a) Company's contribution towards Provident Fund/Superannuation Fund.
- b) Gratuity not exceeding half a month's salary for each completed year of service.
- c) Leave of 28 days for every year of completed service and leave not availed shall be encashed at the end of tenure.

The above remuneration is within the overall limit approved by the shareholders on 31<sup>st</sup> August 2007 and is also within the ceiling prescribed under Section II [1(A)] of Part II of Schedule XIII of the Companies Act, 1956 which is applicable for payment of remuneration to whole time Director in case of inadequacy of profit in a particular year.

26. As per gratuity actuarial valuation certificate, the "Contribution to Provident Fund & other Funds" for the year 2010-11 is after adjustment of Rs. 703.21 lacs relating to earlier years.

27. Previous year's figures have been rearranged wherever necessary to conform to those of current year.

### Signature to Schedule 1 To 17

For and on behalf of  
D.P SEN & CO,  
Chartered Accountants

B K Chowdhury  
Senior General Manager (Accounts)  
& Company Secretary

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

S K Nayak  
Partner

**PROXY**  
**AI CHAMPDANY INDUSTRIES LIMITED**  
Registered Office: 25, Princep Street, Kolkata – 700 072

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member / members of the above-named company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me / us on my/our behalf at the Ninety-third Annual General Meeting of the company to be held at the auditorium of Bengal National Chamber of Commerce & Industry, 1st Floor, 23, Sir R. N. Mukherjee Road, Kolkata - 700 001, on August 13, 2011 at 11-30 A.M. and at any adjournment thereof.

Folio No./DPID & CLIENT ID \_\_\_\_\_

No of Shares hold \_\_\_\_\_

Date \_\_\_\_\_

Signed \_\_\_\_\_

**Affix  
Revenue  
Stamp**

Note: Proxies must reach the company's Registered Office not less than 48 hours before the meeting.

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**THIS ATTENDANCE SLIP DULY FILLED IN TO BE HANDED OVER AT THE  
ENTRANCE OF THE MEETING HALL  
AI CHAMPDANY INDUSTRIES LIMITED**

Name of the attending Member  
(in Block Letters) \_\_\_\_\_

Folio No./DPID & CLIENT ID \_\_\_\_\_

Name of Proxy (in Block Letter  
to be filed in if the Proxy attends  
instead of the Member/s) \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I, hereby record my presence at the Ninety-third Annual General Meeting at the auditorium of Bengal National Chamber of Commerce & Industry, 1st Floor, 23, Sir R. N. Mukherjee Road, Kolkata - 700 001, on August 13, 2011 at 11-30 A.M. and at any adjournment thereof.

\_\_\_\_\_  
Member's / Proxy's Signature

\* To be signed at the time of handing over this slip.