

**Eighty-Fifth  
Accounts & Report  
2002-2003**



**ANGLO-INDIA JUTE MILLS COMPANY LIMITED**

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**ANGLO- INDIA JUTE MILLS COMPANY LIMITED**

**DIRECTORS**

Harbhajan Singh

N. Pujara

S. K. Mitra-Nominee of BIFR

**COMPANY SECRETARY**

S. K. Agarwal

**AUDITORS**

N. N. Das & Co.

**BANKERS**

The Vysya Bank Ltd.

IndusInd Bank Ltd.

State Bank of India

**REGISTRAR**

MCS Ltd.

77/2A, Hazra Road

Kolkata - 700 029

**REGISTERED OFFICE**

18, Netaji Subhas Road

Kolkata - 700 001

**WORKS**

Jagatdal

24 Parganas (North)

West Bengal.

**ANGLO- INDIA JUTE MILLS COMPANY LIMITED**

**NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the Eighty-fifth Annual General Meeting of the members of the Company will be held at the auditorium of Bharatiya Bhasha Parishad at 36-A, Shakespeare Sarani, Kolkata - 700 017 on 24th September, 2003 at 3.30 p.m. to transact the following business:

**Ordinary Business :**

1. To consider and adopt the Profit & Loss Account for the year ended 31st March, 2003, Balance Sheet as on that date and Directors' and Auditors' reports thereon.
2. To appoint a Director in place of Mr. Nirmal Pujara, who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

**Special Business:**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as an ordinary resolution :  
"Resolved that Mr. Harbhajan Singh, who was appointed as an Additional Director of the company pursuant to section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of the Director be and is hereby appointed as a Director of the company subject to retirement by rotation under the Article of Association of the Company."

Dated : 30th July, 2003

Registered Office :

18, Netaji Subhas Road  
Kolkata - 700 001

By order of the Board

S. K. AGARWAL

Company Secretary

**Notes :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a member of the Company. The Instrument appointing the Proxy should be deposited at the Registered Office not later than 48 hours before the time of holding the meeting.
2. The Register of Members and the Share Transfer Book of the Company will remain closed from 22nd September, 2003 to 24th September, 2003, both days inclusive.

**Explanatory Statement Under Section 173(2) of the companies Act, 1956**

**Item No. 4**

Mr. Harbhajan Singh was appointed as an Additional Director of the Company during the year. Pursuant to Section 260 of the Companies Act, 1956, Mr. Harbhajan Singh will hold office as Additional Director upto the date ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidate of Mr. Harbhajan Singh for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956

Mr. Harbhajan Singh, an ex-Banker and a well known personality in the Banking and Industrial Sector is having wide experience in Banking and Industrial fields. Keeping in view his vast experience and knowledge it will be in the interest of the Company that Mr. Harbhajan Singh is appointed as a Director of the Company. Your Directors, therefore, recommend the resolution for your approval.

Save and expect Mr. Harbhajan Singh, none of the Directors are, in any way, concerned or interested in this resolution.

Dated : 30th July, 2003

Registered Office :

18, Netaji Subhas Road  
Kolkata - 700 001

By order of the Board

S. K. AGARWAL

Company Secretary

## ANGLO- INDIA JUTE MILLS COMPANY LIMITED

## DIRECTORS' REPORT TO THE SHAREHOLDERS

Ladies & Gentlemen,

Your Directors of your company present the Audited Statements of the accounts for the year ended 31st March, 2003 are now being submitted for consideration and adoption.

## FINANCIAL RESULTS.

	Rs. in lakhs
Profit before Depreciation	205.28
Less : Depreciation	103.73
Net Profit	101.55
(Loss) brought forward from the previous year	(988.34)
(Loss) carried to Balance Sheet	(886.79)

## PERFORMANCE :

Production during the year was 37,608 MT as compared to 37,575 MT in the previous year. Sales/other operational income was Rs. 9,309.77 lakhs as compared to Rs. 11,115.93 lakhs in the previous year. The performance would have been better but for the increase in Power, Wages and other costs which could not be fully passed on to the customer due to sluggish demand in the domestic market and uneven Government buying for food packaging requirements.

## REHABILITATION PROGRAMME :

An amount of Rs. 140.27 lakhs was incurred by the Company during the year under review on modernisation and installation of balancing equipments so as to improve efficiency and achieve better product-mix. Despite constraints, all efforts are being made for revival of the company by taking all necessary measures in this regard.

## FUTURE OUTLOOK :

As per preliminary indications, Jute Crop in the current year is estimated to be lower than previous year, however, with higher carryover of Raw Jute, total availability is expected to be at reasonable level. The main concern facing the Industry at present is low productivity, continuous rise in the power cost and impending threat of dilution in the Jute Packaging Order which although for the time being has been recently stayed by the Hon'ble Calcutta High Court and threat of impending Industry-wise strike. The Company is continuously focusing on cost reduction and changing the product-mix in line with the market requirement so as to minimise the impact of such adversities to the extent possible.

## BOARD OF DIRECTORS :

Shri D J Wadhwa and Shri J P Saraf resigned from the Board on 24th March, 2003. Your Directors wish to place on record its sincere appreciation for the valuable guidance and advice received from Shri D J Wadhwa and Shri J P Saraf during their tenure as Director of the Company.

Shri Harbhajan Singh was appointed as an Additional Director by the Board with effect from 24th March, 2003 in accordance with the Article No. 97 of Articles of Association of the Company and Section 260 of the Companies Act, 1956. Shri Singh holds office up to the date of ensuing Annual General Meeting and a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Singh's appointment as a Director of the company and necessary resolution is being proposed for his re-appointment.

Shri Nirmal Pujara retires by rotation and being eligible, offers himself for re-appointment.

## AUDITORS' REPORT :

Observations of the auditors in their report has been adequately dealt with in the relevant Notes in Schedule 'M' of the Accounts.

## CORPORATE GOVERNANCE :

Clause 49 of the listing agreement is not applicable to our Company. However, company has taken steps

**ANGLO- INDIA JUTE MILLS COMPANY LIMITED**

**Directors' Report (Contd.)**

to implement certain provisions in or the other form considering the size of the operation and suitability.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217(2AA) which was introduced by the Companies (Amendment) Act, 2000, your Directors confirm that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) 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 31st March, 2003 and of the profit or loss of the Company for the year ended 31st March, 2003.
- iii) 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.
- iv) The Directors have prepared the annual accounts on a going concern basis.

**SUBSIDIARY COMPANY :**

In compliance with Section 212 of the Companies Act, 1956 a copy of the Auditors' Report and the Audited Accounts for the year ended 31st March, 2003 of the Subsidiary Company, Landale & Clark Limited, is annexed to this report.

**AUDITORS :**

M/s. N.N. Das & Co., Chartered Accountants, retiring auditors of the Company, being eligible, offer themselves for reappointment.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO :**

The Information required under Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters is annexed hereto

**PERSONNEL :**

The relation between the management and the employees remain cordial during the year under review. The Directors wish to place on record their appreciation of the efficient and loyal services rendered by the Company's employees at all levels. Since there was no employee in the Company drawing a remuneration in excess of the prescribed limit, the provision of Section 217(2A) of the Companies Act, 1956 read with the Rules made thereunder are not applicable.

**ACKNOWLEDGEMENT :**

Your Directors take this opportunity to place on record their appreciation for support extended by Govt. of West Bengal through its financial scheme for rehabilitation of sick industries, but for which present results would not have been possible.

On behalf of the Board  
HARBHAJAN SINGH  
N. PUJARA  
S. K. MITRA  
Directors

Kolkata, the 30th July, 2003

## ANGLO- INDIA JUTE MILLS COMPANY LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2003.

## A. Conservation of Energy

## a) Conservation of Energy measures taken :

Keeping in view the national need to conserve energy, it has been the constant endeavour of the Company to conserve energy by improving efficiency, installation of capacitors and maintenance of equipments for achieving ideal power factor, replacement of higher HP Motors with improved version of motors, conversion of electrical distributions system, replacement of high power bulb with low power fluorescent lamp/tubes etc. The energy conservation measures taken during the relevant year are as follows :

- i) High HP rating of Spinning Frame Motors have been reduced for conservation of energy.
- ii) Installation of Nylon sandwiched flat belt against chain drive for carding, weaving, winding line shaft.
- iii) Narrow looms V-Belt drives have been replaced by energy saving nylon sandwich Belt drive.
- iv) Replacement of oversize motors in softner and winding machines.
- v) Use of 36 watt tubelight instead of 40 watt tubelight used earlier.
- vi) Use of energy saver ES-25 for lighting system.
- vii) Use of energy efficient lamps for street lighting.
- viii) Installation of capacitor Bank for maintaining optimum power factor
- ix) V-belt and worm and pinion drive of press pump have been replaced by high efficient Nylon flat belt.
- x) Proper maintenance for all machines have been done to keep them energy efficient.

## b) Additional investment and proposal, if any, being implemented for reduction of consumption of energy.

- i) Installation of Hydraulic Power Pack for bale press.
  - ii) Installation of Jute Caddies/Dust Fired Thermax boiler at Fine Yarn Unit.
- Moreover, investments are being made on continuous basis wherever required in consultation with professional experts in the field.

## c) Form - A

I) Power and Fuel Consumption	Current Year	Previous Year
1. Electricity		
a) Purchased :		
Units (KWH)	1,86,00,808	1,75,57,785
Total Amount Rs. in Lakhs	854.87	727.90
Rate per Unit Rs.	4.60	4.15
b) Own Generation through Diesel Generators		
Units	3,03,735	3,14,006
Units per Ltr of Diesel oil (KWH)	2.87	2.90
Cost per Unit Rs.	6.05	5.97
2. Coal :		
Quantity MT	1215	621
Total Cost (Rs. in lakhs)	28.55	13.33
Average Rate (Rs per MT)	2350	2146
II) Consumption per unit of production :		
Production of Jute goods (MT)	37,608	37,575
Electricity (KWH)	496	476
Coal (MT)	0.03	0.02

**ANGLO- INDIA JUTE MILLS COMPANY LIMITED**

Annexure to the Directors' Report (Contd.)

**B. TECHNOLOGY ABSORPTION  
FORM B.**

Research and Development :

Specific areas in which R & D carried out by the Company :

R & D effort are continuing for development of different items having combinations of Jute blended with other natural and man-made fibres and improvement of end-products.

Benefit derived as a result of the above R & D :

High Value addition and greater sophistication of end-products.

Future Plan for action :

Adoption of developments made by IJIRA and other institutions for overall development.

Expenditure on R & D:

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

Technology absorption, Adoption & Innovation :

Efforts in brief made towards technology absorption, adaptation and innovation.

Company has adopted technology for production of fine yarn and soil saver and further improvement in product and development of HCF Food grade jute products.

Benefits derived as a result of the above efforts e.g. product improvement, Cost reduction, product development, import substitution etc.

Production of Fine yarn is a value added item and soil saver is the low cost Product.

Technology Imported :

No technology has been imported.

Foreign Exchange earnings and outgo :

Total Foreign Exchange used and earned.

Used: Nil

Earned: Nil

Kolkata, the 30th July, 2003

On behalf of the Board  
**HARBHAJAN SINGH**  
N. PUJARA  
S. K. MITRA  
Directors



## ANGLO-INDIA JUTE MILLS COMPANY LIMITED

## AUDITORS' REPORT

TO  
THE MEMBERS OF  
ANGLO-INDIA JUTE MILLS COMPANY LIMITED

- A. We have audited the attached Balance Sheet of Anglo India Jute Mills Company Limited, as at 31st March, 2003 and the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date. 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. 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 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.

- B. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 and on the basis of such examination 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 enclose in the 'Annexure' a statement on the matters specified in paragraphs 4 and 5 of the said order.

- C. In pursuance of the Rehabilitation Scheme sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 4.2.94 the controlling interest of the Company has been taken over by The Champdany Industries Limited and its associates (new promoter). In view of the fact that the rehabilitation scheme sanctioned by BIFR is still in the process of being implemented and consequently these accounts have been prepared as a going concern basis.

- D. *The year's profit, and consequently, the net worth 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 :*

1. *non-provision of municipal taxes over and above the amount provided for in the aforesaid rehabilitation scheme and paid for, referred to in Note 10 in Schedule 'M' ;*
2. *non-recognition as income of compensation receivable for occupation of certain properties belonging to the Company pending actual realisation thereof, referred to in Note 11(c) in Schedule 'M' ;*
3. *non-ascertainment / recognition of delayed payment surcharge and interest income on Electricity Duty recoverable as referred to in Note 12(c) in Schedule 'M' ;*
4. *recognition of remission of taxes by Sales tax authority in the accounts as referred to in Note 12 in Schedule 'M' ;*
5. *non-provision/ ascertainment of liability for gratuity on actuarial basis from the year commencing from 1.4.97 ;*
6. *i) non-provision of possible losses arising from diminution in the year-end carrying cost of investments in Woolcombers of India Ltd. (WIL) and non-recovery of interest free loans and advances from them as referred to in Note 11(b) in Schedule 'M' ;*  
*ii) 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 13 in Schedule 'M' ;*

## ANGLO- INDIA JUTE MILLS COMPANY LIMITED

## Auditors' Report (Contd.)

7. *non-ascertainment/ provision of possible loss which may arise for non-recovery of interest-free loans and advances in the nature of loans referred to in para 8 in the Annexure hereto.*
- E. a. *Subject to our observations set out in paras D1 to D7, 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,*
- b. *Subject to our observations set out in paras D1, D3, D5, D6 and D7, 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,*
- c. *The Balance Sheet, Profit & Loss Account and Cash Flow dealt with by this report are in agreement with the books of accounts,*
- d. *On the basis of written representations received from the directors as on 31st March, 2003, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2003 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.*
- e. *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 D5 & D6 above.*
- f. *In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to our foregoing observations in para D and together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required, and give, true and fair view :*
- (i) *in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2003, and*
  - (ii) *in the case of Profit and Loss Account, of the Profit for the year ended on that date, and*
  - (iii) *in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.*

Kolkata  
Dated: 30th July, 2003

FOR N. N. DAS & CO.  
Chartered Accountants  
S. GHOSAL  
Partner