





## FORWARD LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements-written and oral-that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove in accurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



This Annual Report is available online at [www.ludlowjute.com](http://www.ludlowjute.com)

## Between the Covers

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# CORPORATE INFORMATION

Thirty Eighth Annual Report 2016-2017

## BOARD OF DIRECTORS

**Mr. R. V. Kanoria**  
*Non-Executive Chairman*

**Mr. A. C. Mukherji**  
*Independent Director*

**Mr. J. K. Bhagat**  
*Independent Director*

**Mr. I. P. Poddar**  
*Independent Director*

**Mr. B. Choudhuri**  
*Independent Director*

**Mr. L. G. Toolsidass**  
*Independent Director*

**Mr. S. Kapur**  
*Independent Director*

**Ms. Nayantara Palchoudhuri**  
*Independent Director*

**Mr. Ajay Todi**  
*Managing Director*

**COMPANY SECRETARY &  
COMPLIANCE OFFICER**  
**Ms. Madhuri Pandey**

**CHIEF FINANCIAL OFFICER**  
**Mr. R. K. Gupta**

**AUDITORS**  
**Singhi & Co.**  
*Chartered Accountants*

**BANKERS**  
Central Bank of India  
Allahabad Bank

**REGISTRAR & SHARE TRANSFER  
AGENTS**

MCS Share Transfer Agent Limited  
12/1/5, Manoharpukur Road  
Ground Floor, Kolkata - 700 026  
Phone : +91 33 4072 4051 / 52 / 53  
Fax : +91 33 4072 4050  
Email : mcssta@rediffmail.com

**REGISTERED OFFICE**  
KCI Plaza, 4th Floor  
23C, Ashutosh Chowdhury Avenue  
Kolkata - 700 019, West Bengal, India  
Phone : +91 33 4050 6300 / 6330  
Fax : +91 33 4050 6333 / 6334  
E-mail : info@ludlowjute.com  
CIN : L65993WB1979PLC032394

**WORKS**  
P. O. Chengail, Howrah - 711 308  
West Bengal, India  
Phone : +91 33 2642 8366  
Fax : +91 33 2642 8367

## NOTICE

### TO THE MEMBERS

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the members of **LUDLOW JUTE & SPECIALITIES LIMITED** will be held at Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020 on Monday, 4th September, 2017 at 11.00 a.m. to transact the following business :-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including the consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2017 and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mr. R.V. Kanoria, (holding DIN 00003792), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company for a period of 5 years and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposals of Audit Committee of the Board and upon recommendation of the Board, M/s. J. K. Agarwal & Associates, Chartered Accountants (Firm Registration No. 318086E) be and is hereby appointed as Statutory Auditors of the Company, to hold the office for a period of 5 consecutive years from the conclusion of 38th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company, on a remuneration to be agreed upon by the Board of Directors.”

#### SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :  
“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 25,000 (Rupees Twenty Five Thousand only), plus travelling and other incidental expenses payable to M/s. Prasad & Company, Cost Accountants (Registration No. 4014), who have been appointed by the Board of Directors of the Company as Cost Auditor to conduct an audit of the cost accounting records maintained by the Company for the year ending 31st March, 2018 be and is hereby ratified.”

By Order of the Board  
**Ludlow Jute & Specialities Limited**

Place : Kolkata  
Date : 28th April, 2017

**M. Pandey**  
Company Secretary & Compliance Officer

#### NOTES :

1. The Register of Members and Share Transfer Register of the Company shall remain closed from 22nd August, 2017 to 4th September, 2017 (both days inclusive).
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF /HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy in order to be effective, must be duly completed, signed, stamped and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.
3. Corporate members are requested to send to the Company, a duly certified copy of the Board Resolution/Power of Attorney, authorizing their representatives to attend and vote at the Annual General Meeting.



4. Dividend, if approved by the shareholders at the AGM, will be paid within 30 days from the date of AGM, to those members,
  - a) Whose names appear as Beneficial Owners as at the end of business hours on 21st August, 2017 in the list furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before the end of business hours on 21st August, 2017.
5. Dividend which remains unpaid/ unclaimed over a period of seven years will have to be transferred by the Company to "Investor Education and Protection Fund" of the Central Government under Section 124 & 125 of the Companies Act, 2013. Shareholders are advised to encash the unpaid dividend warrants before transfer to the above referred Fund.
6. Members are requested to notify immediately any change of address and also particulars of their Bank Accounts viz., Name of the bank, branch, complete address of the bank and bank account number for printing the same on the Dividend Warrants to avoid fraudulent encashment:
  - to their Depository Participants (DP) in respect of their Demat Account(s); and
  - to the Company at its registered office or to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease of portfolio management. Members can contact the Company or MCS Share Transfer Agent Limited for this purpose.
8. Members/ Proxies are requested to produce the attendance slip duly signed as per the specimen signature recorded with the Company, for admission to the meeting hall.
9. Members, who hold shares in dematerialized form, are requested to furnish their Client ID and DP ID numbers to facilitate identification of membership at the Meeting.
10. In all correspondence(s) with the Company/ Registrar & Share Transfer Agents, members are requested to quote their folio number and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID number.
11. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Registrar and Share Transfer Agents for consolidation into a single folio.
12. In case of joint holders attending the meeting, the Member(s) whose name appears as the first holder(s) in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Members are requested to notify immediately any change of address to the Depository Participants in respect of electronic share accounts and to the Registrars and Transfer Agents, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026 in respect of physical share accounts.
14. In case the mailing address mentioned on the label used for mailing the Annual Report is without the Pin Code, members are requested to inform their Pin Code immediately.
15. Members are requested to bring their copy of the Annual Report to the meeting.
16. The share certificates with previous name of the Company viz. 'Aekta Limited' are acceptable for transfer/demat etc. The stickers bearing the change of name of the Company to 'Ludlow Jute & Specialities Limited' had been dispatched to the shareholders holding shares in physical mode. If any shareholder still wants the stickers with the Company's new name, they may write to the Company or to the Registrars for the required number of stickers.
17. Pursuant to Section 101 and 136 of the Companies Act, 2013, read with the relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. Members who have not yet registered their e-mail address with the Company or their Depository are requested to do so.



18. To support the 'Green Initiative', the members who have not registered their e-mail addresses are requested to register the same with MCS Share Transfer Agent Limited/Depositories.
19. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed herewith.
20. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is providing the facility to members to exercise their right to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. **The e-voting rights of the members/beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 28th August, 2017 (Cut-off date fixed for this purpose). The e-voting period will commence at 09.00 a.m. on 1st September, 2017 and will end at 05.00 p.m. on 3rd September, 2017.** The Company has appointed CS Arun Kumar Khandelia, Partner M/s. K. Arun & Co., Practicing Company Secretaries, to act as Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this Notice.
21. Re-appointment of Directors:

The information and/or details pertaining to the appointment of the retiring Director, being eligible for re-appointment, to be provided in terms of Regulation 36(3) the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchange, is provided hereunder:

i.	Name of the Director	Mr. R. V. Kanoria
ii.	Date of birth	23.02.1955
iii.	Date of appointment	08.11.2006
iv.	Expertise in specific functional areas	An industrialist with rich business experience and vast knowledge.
v.	List of other Directorships held in Public Limited Companies	<ul style="list-style-type: none"> <li>a) Kanoria Chemicals &amp; Industries Ltd.</li> <li>b) Kirtivardhan Finvest Services Ltd.</li> <li>c) KPL International Ltd.</li> <li>d) R. V. Investment and Dealers Ltd.</li> <li>e) J K Paper Ltd.</li> <li>f) Vardhan Ltd.</li> <li>g) Nestle India Ltd.</li> <li>h) Ludlow Jute &amp; Specialities Ltd.</li> </ul>
vi.	Chairman/Member of Committees of the Board of other Public Limited Companies in which he is a Director (Audit Committee and Stakeholders' Relationship Committee has been considered)	<p><b>Chairman :</b></p> <ul style="list-style-type: none"> <li>a) J K Paper Ltd – Stakeholders' Relationship Committee.</li> <li>b) KPL International Ltd - Audit Committee.</li> </ul> <p><b>Member :</b></p> <ul style="list-style-type: none"> <li>a) Nestle India Ltd – Stakeholders' Relationship Committee; Audit Committee.</li> <li>b) Kanoria Chemicals &amp; Industries Ltd – Audit Committee.</li> <li>c) J K Paper Ltd –Audit Committee.</li> <li>d) R V Investment and Dealers Limited - Stakeholders' Relationship Committee.</li> </ul>
vii.	Shareholding in the Company	10,300
viii.	Relationship with other Directors.	None.

22. A copy of this Notice has been placed on the website of the Company and the website of CDSL.

By Order of the Board  
**Ludlow Jute & Specialities Limited**

Place : Kolkata  
Date : 28th April, 2017

**M. Pandey**  
Company Secretary & Compliance Officer



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**Annexure to the Notice**  
**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

**For Item no. 5**

As recommended by the Audit Committee, Board of Directors had appointed M/s. Prasad & Company, Cost Accountants (Registration No. 4014), being eligible and having sought re-appointment, as cost auditor of the Company, for a remuneration of ₹ 25,000 (Rupees Twenty Five Thousand only), plus travelling and other incidental expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2017 and ending on 31st March, 2018 as required in terms of the directive issued by Cost Audit Branch, Ministry of Corporate Affairs, Government of India.

In terms of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration is required to be ratified by the members.

The Board recommends passing of the proposed Ordinary Resolution in relation to ratification of the remuneration payable to cost auditor.

By Order of the Board  
**Ludlow Jute & Specialities Limited**

Place : Kolkata  
Date : 28th April, 2017

**M. Pandey**  
Company Secretary & Compliance Officer

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins **at 09.00 a.m. on 1st September, 2017, and will end at 5.00 p.m. on 3rd September, 2017.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **28th August, 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Example: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.





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- (xii) Click on the EVSN for the relevant **Ludlow Jute & Specialities Ltd** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## Directors' Report

**Dear Members,**

Your Board takes pleasure in presenting its Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2017.

### 1. FINANCIAL SUMMARY

(₹ In Crores)

Particulars	2016-2017	2015-16
Sales excluding excise duty	350.83	351.58
Profit before Finance Costs and Depreciation	18.90	17.64
Less : Finance Costs	2.83	3.14
Gross Profit	16.07	14.50
Less: Depreciation and amortisation	5.02	5.86
Profit before Exceptional Items and Tax	11.05	8.64
Less/ (Add): Exceptional items	-	-
Profit before tax	11.05	8.64
Less: Tax expenses	3.67	3.00
Profit for the Year	7.37	5.64
Add: Balance as per last Financial Statements	19.66	16.25
Profit available for appropriations	27.03	21.89
Appropriations:		
General Reserve	-	0.28
Proposed Dividend on Equity Shares	-	1.62
Corporate Dividend Tax	-	0.33
Total	-	2.23
Balance carried forward to Balance Sheet	27.03	19.66

### 2. DIVIDEND

The Board of Directors recommends, for consideration of shareholders at the Annual General Meeting, a Dividend @ 25% (₹ 2.50 per share) on Equity Shares of ₹ 10/- each for the year ended 31st March, 2017.

### 3. TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserves during the current year.

### 4. OPERATIONS

During the year under review, the Company's sale was ₹ 354.28 crores (including exports of ₹ 52.75 crores) against sales of ₹ 355.07 crores (including exports of ₹ 45.93 crores) during the previous year. The production was 40544 M.T. against 45372 M.T. during the previous year. This was primarily due to higher production of lighter 580 grams' Bags for Govt. supplies in FY17; and the significant impact of labour availability following demonetisation in November 2016.

Raw Jute has seen major volatility in the year gone by. In the period Jan-July 2016, jute availability was low as a fallout of lower raw jute production in the previous year (harvested in July/August 2015). This led to record high prices of jute in Q1/Q2 FY17. Favourable weather in the sowing season in March-April 2016 and satisfactory monsoons stimulated high jute production following which jute prices dropped sharply around September 2016. We are happy to report that the Company withstood this volatility effectively in FY17.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### i) Industry Structure And Developments

Through concerted efforts, the Jute industry continued to highlight the eco-friendly nature of Jute to all stakeholders; encouragement of eco-friendly jute packaging via JPM (Jute Packaging Materials) Act, 1987 was continued in the year gone by.