

BIFR UPGRADED STATUS REPORT - NJMC Ltd Kolkata. ((as on 31.3.2015)

Relief and Concession	Agency Responsible	Status	Last Action taken by NJMC	Remarks
FINANCIAL INSTITUTION (IDBI, IIBI)				
One time settlement (OTS) of financial Institutions dues and waiver of Interest amount.	NJMC	Settled	Both IDBI and IIBI dues have been settled under OTS by payment of Rs. 4190 Lakhs (IIBI- Rs. 3243 Lakhs and IDBI-Rs. 947 Lakhs) . The settlement involved waiver of interest amount of Rs. 6220 Lakhs (IIBI- Rs. 5184 Lakh & IDBI Rs. 1036 Lakhs)	Fully Complied .
BANK (SBI, CBI, UCO)				
One time settlement (OTS) of Bank dues. Release of charge on assets.	NJMC	Settled	One Time Settlement(OTS) of Rs. 1657 Lakhs (principal plus interest)(SBI - Rs.900 lakh , CBI - Rs. 431 lakh , UCO - Rs.326 lakh) has already been done during the year 2006-07 . Waiver of interest of Rs. 585 lakh by banks under OTS during the FY 2006-07 were also sanctioned (SBI- Rs. 287 Lakhs, CBI- Rs. 174 Lakhs, UCO- Rs. 124 Lakhs).	The charge on the assets of the mill have already been released by banks after full satisfaction . If required Bank may extend need based working capital assistance to the mills of NJMC at reasonable rate of interest .
GOVT OF INDIA/MOT				
To permit NJMC to outsource different activities required for running of the mill	MOT	Permission Granted	On an experimental basis, Khardah unit is being run on production contract method. Since this method in Khardah unit is found to be satisfactory decision has been taken to implement this innovative method in other two units at the earliest.	Agreements have been signed with Production Contractors for all the three mills on 27th October 2014 . Production commenced in both RBHM and Kinnison units from January'15 onwards but same at Khardah unit is yet to start . Efforts are going on .
To allow fresh appointment of necessary staff and officers for functioning of NJMC	MOT	Number of Executives & Staff in various departments have already been appointed.	Webcon Consulting Agency were engaged as HR Consultant for selecting suitable Executives & Staff on Contract basis . Quite a number of Executives & Staff have already joined at Corporate Office & Mills (Refer Annexure 1) .	(Refer Annexure 1)

Relief and Concession	Agency Responsible	Status	Last Action taken by NJMC	Remarks
To grant subsidy in procurement of new plant and machinery	MOT	National Jute Board (NJB) grant subsidy to buyers of jute machineries from vendors who are registered with NJB . NJMC had floated tender for purchase of selective machineries only from firms registered with NJB . Delivery of the machineries are almost over . Application for capital subsidy would be made once delivery is complete in all respects .	Application for availing 20% capital subsidy for procurement of machineries was made with NJB . Some more documents were sought by the said office . These would be submitted shortly .	Following are the details of Purchase Order : 1) Khardah Mill - (i) Four 4 & 3/4"SD Spinning Frames (96 Spindles) Baxter Flyer Type @ Rs.15.42 lacs each inclusive of all taxes and other incidental charges . (ii) Two Jute Spreader Machine @ Rs.25 .20 lacs each inclusive of all taxes and other incidental charges . 2) Kinnison Mill - (i) Two Jute Spreader Machines @ Rs . 24.96 lacs each inclusive of all taxes and other incidental charges . (ii) Four 4 & 3/4" SD Spinning Frame (96 Spindles) @ Rs. 15.42 lacs each inclusive of all taxes and other incidental charges . (3) RBHM Mill - (i) Four 4 & 3/4 " Spinning Frames (Baxter Flyer Type) @ Rs.15.87 lacs each inclusive of all taxes and other incidental charges . (ii) Three Screw Gill 2nd Drawing Machines @ Rs. 12.58 lacs inclusive of all taxes & other incidental charges . (iii) 2 Nos. Jute Spreader Machine @ Rs. 25.48 lacs each inclusive of all taxes and other incidental charges .
To allow preferential allotment of govt. orders by JC to NJMC	JCO	Regularly Complied	NJMC is executing orders against supply orders issued by DGS&D as per Production Control Orders issued by the Jute Commissioner	
DEPT. OF INCOME TAX				
Exempt capital gain tax on sale proceeds of land and other properties of NJMC estimated value Rs. 6453 Lakh	Director(Exemption) IT Department	The first application for granting of exemption on Capital Gains Tax was made with Directorate of Income Tax (Exemption) vide letter NJMC/IA/BIFR/9/13-14/114 dated 30.04.2014 . Since no response was received first reminder was issued vide letter of even no. on 23rd July 2014 . Two more reminders dated 19th December'14 and 10th March'15 have also been issued .	Sanction still awaited	

Relief and Concession	Agency Responsible	Status	Last Action taken by NJMC	Remarks
Exempt the company from provision of section 41 (1), 43B, 45, 72 (3) 115 JB of IT act, 1961	Income Tax Authority		These provisions of IT act are not relevant at this stage.	
To allow set off carry forward business loss against future profit	Income Tax Authority		This provision of IT act is not relevant at this stage.	
GOVT OF WEST BENGAL				
To consider conversion of interest on loan of Rs. 922 Lakhs into soft loan and adjustment of Rs. 281 Lakhs (principal amount) against compensation payable to NJMC by Govt. of WB	Govt. of West Bengal	First application to the Government of West Bengal was made vide letter no. NJMC/CMD/REV/2011/1172 dated 05th August, 2011. Reminder was sent on 14.03.2012 by NJMC. A letter was also issued by Secretary MOT to Chief Secretary Government of West Bengal vide D.O. number 15/22/2012- JUTE dated September 10th 2012. Another reminder was issued on 8th November, 2012. Thereafter another reminder along with list of reliefs and concessions to be granted by Govt. of West Bengal was issued by NJMC vide letter no. NJMC/IA/ BIFR/9/13-14 dated 14th February 2014 along with a fresh list of reliefs & concessions agreed by the Govt. of W.B.Sanction Orders still awaited from Govt. of WB .	Govt. Of West Bengal responded vide letter no. 475(22)-IR/O/2R-3/2014 dated 2nd May 2014 asking for report detailing therein latest status of the implementation of the scheme in respect of the company. Subsequently another letter was issued from Govt.of West Bengal asking for some more clarifications/documents of the company vide letter no. 509-IR/O/1M-2/2012 (Pt-1) dated 14th May 2014. A detail reply and clarifications in respect of both the letters were submitted vide NJMC letters No. NJMC/IA/BIFR/9/2013-14/195 dated 19th May 2014 and 23rd May 2014 respectively. Reminders were issued on 20th June 2014 , 19th August 2014 , 19th December 2014 and the last one on 10th March'15 . Sanction Orders still awaited from Govt. of WB .	

Relief and Concession	Agency Responsible	Status	Last Action taken by NJMC	Remarks
To grant necessary approval/clearance pertaining to closure of unviable mills/activity	Ministry of labour , Govt. of India	Permission of Central Ministry of Labour is not yet obtained.	Application to the Secretary to the Government of India, Ministry of Labour & Employment has already been made on 25.11.2013 under sub-section (1) section 25(O) Industrial Disputes Act, 1947 (14 of 1947).The ministry had raised certain queries which were suitably replied vide letter dated 16.01.2014. A copy of the said letter has also been forwarded to Regional Labour Commissioner's Office. Reminders were issued on 10.4.2014 & 21.11.2014 but with no effect till date .The matter is being actively followed up.	Letter No.i/i/2014.E.Dy.CLC© dated 18.12.2014 was written by Dy.CLC , Kolkata to Secretary, MOL&E , New Delhi to expedite early approval , still no effect .
Sale of machinery and building , sale of scrap and unused material of the three closed and revival mills .	NJMC Ltd .	No old & unserviceable plant & machinery of the three closed mills have yet been sold . As regards those of revival mills , a separate Miscellaneous Application was submitted to BIFR on 18th August 2014 with detail list of unserviceable assets in line with guidelines by BIFR .		Approval of BIFR on Misc. Applications is awaited.
Permission of sale of surplus freehold/leasehold land and exemption from payment of stamp duty.		No sale of surplus freehold/leasehold land have yet been made .	The prevailing Industrial Reconstruction Policy of the State Govt does not favour outright sale of industrial land. NJMC is therefore considering other option of gainful utilisation of surplus land . An Expression of Interest was floated for selection of a Consultant who would act as Transaction Advisor on monetisation of surplus land through PPP model or Joint Venture . PWC , a Multinational Consultancy Firm have been engaged on 25th February 2015 and the work have just started .	

Relief and Concession	Agency Responsible	Status	Last Action taken by NJMC	Remarks
To exempt conversion charges on conversion of identified surplus land (proposed to be sold as per revival scheme) into commercial/ residential land use		Exemption of conversion charges is yet to be obtained .	Application to the Government of West Bengal has been made and the matter is under consideration.	
To declare NJMC and its mills as Relief Undertaking		Declaration as Relief Undertaking was first granted vide letter No. 1168-IR/O/1M-2/2012(Pt.)dated 25th September'12 initially for six months and thereafter extended upto 11th December'13 . No further extension granted till date .	The Government of West Bengal have given status of Relief Undertaking to NJMC initially for a period of six months upto 24th March 2013 with further extension upto 11th December 2013 . Application for further extension was made vide letter no. NJMC/IA/BIFR/9/13-14 dated 14th February 2014 with subsequent reminders on 10th April '14 , 20th June '14 , 19th August'14 and 11th February'15 respectively . Last one was issued on 10th March '15 .	
To allow engagement of contract labour and outsourcing of different activity for running the mill	NJMC	On an experimental basis Khardah Unit was being run on production contract method since last April'14 . The innovative system had worked only for three months since the contracting agency had left abruptly without any prior notice .	Fresh agreements have been signed with Production Contractors for all the three mills on 27th October 2014 . Production at RBHM and Kinnison units started in January 2015 however despite best efforts on the part of NJMC management production could not be commenced at Khardah unit till date .	
To waive damage on outstanding water and municipal taxes	Govt . Of West Bengal	Same as status prevailing in respect of Relief Undertaking stated hereinabove .	All efforts made in respect of obtaining sanction for Relief Undertaking stated hereinabove are applicable to this also .	
Exempt the company from payment of sales tax/VAT on sale of machinery scrap	Govt . of West Bengal	Same as above	Same as above	

Relief and Concession	Agency Responsible	Status	Last Action taken by NJMC	Remarks
To allow power supply at concessional rate for a period of seven years after cut off date	Govt . of West Bengal	Same as above	Same as above	
To consider to waive electricity duty and delayed payment surcharge/interest on electricity dues .	Govt . Of West Bengal	Government of West Bengal have sanctioned waiver of electricity duty for both the revival units in West Bengal for 5 years with effect from date of commencement of production under West Bengal Industrial Renewal Scheme, 2001 vide letter No. 356-IR/O/1M-2/2012 dated 26th March 2014. Formal Administrative Order for not charging duty in energy bills still awaited from Directorate of Electricity Duty , Govt . of West Bengal .	Application for issue of formal administrative order asking the utility company not to charge Electricity Duty in energy bills against monthly energy consumption by NJMC units have been made with Directorate of Electricity Duty , Govt . Of West Bengal vide letters No. NJMC/IA/BIFR(ED)/9/13-14/406 & 407 dated 31st March'14 for Kinnison and Khardah Units respectively . Reminder is also issued on 19th October'14 to expedite the issue of order . Directorate of Electricity Duty , GoWB vide their letter dated 23rd December'14 instructed Directorate of Industries , GoWB to notify the date of first commercial production in the two units of	Notification of Directorate of Industries , GoWB indicating date of commencement of commercial production is still awaited .
STATE GOVT OF BIHAR				
To waive penal interest on Bihar marketing fees of Rs. 123 lakhs for RBHM katihar.	Govt . Of Bihar	Penal interest waived .	Principal amount of Rs. 123 Lakhs has been paid during the financial year 2007- 2008	
Permission for sale of surplus freehold/leasehold land and exemption from payment of stamp duty.	Govt . Of Bihar	Permission is still awaited .	Despite the fact that the prevailing Industrial Policy of the Govt . of Bihar does not favour outright sale of industrial land , NJMC have been making constant effort for grant of permission for conversion of land use from industrial to commercial / residential .	
To exempt conversion charges on conversion of identified surplus land (proposed to be sold as per revival scheme) into commercial/ residential land use	Govt . Of Bihar	Permission is still awaited .		

Relief and Concession	Agency Responsible	Status	Last Action taken by NJMC	Remarks
To declare NJMC and its mills as relief undertaking	Govt . Of Bihar	Declaration as Relief Undertaking in favour of NJMC Ltd. and its mills made for 5 years with effect from 31.3.2010 .	The Govt. of Bihar has granted all the reliefs and concessions except permission for sale of surplus land with its conversion from Industrial to commercial or residential . Application for extension of status of Relief	
To allow engagement of contract labour and outsourcing of different acitivity for running the mill	Govt . Of Bihar		As above .	
To waive damage on outstanding water and municipal taxes	Govt . Of Bihar		As above .	
Exempt the company from payment of sales tax/VAT on sale of machinery scrap	Govt . Of Bihar	VAT exempted vide Govt. of Bihar Order dated 16.8.2011	Exemption being availed by RBHM Unit , Bihar	
To allow power supply at concessional rate for a period of seven years after cut off date	Govt . Of Bihar		As above	
To consider to waive electricity duty and delayed payment surcharge/interest on electricity dues.	Govt . Of Bihar	Waiver of Electricity Duty sanctioned vide letter dated 16.8.2011	Requisite administrative order for not charging duty in monthly power bills is yet to be issued . Last reminder was issued by NJMC on 09th March'15 .	
ESI CORPORATION				
OTS of principal and interest amount of Rs. 6708 lakh in respect of arrear dues of NJMC	NJMC	OTS made with ESI Corporation for full amount of Rs.6708 lakh	The amount has alrdy been paid during the financial year 2006-2007 to 2009-2010.	

Relief and Concession	Agency Responsible	Status	Last Action taken by NJMC	Remarks
To waive damages claimed amounting to Rs. 37.29 crores comprising all the six units of NJMC	ESI Corporation	Not yet waived .	First application for waiver of damage amounting to Rs. 37.29 Crores was made to ESI Corporation vide NJMC letter No. NJMC/D(F)/2011/1089 dated 29.06.2011. Subsequent reminders were made to the department of ESI vide letters dated 08.11.2012, 10.04.2013, 10.07.2013, 29.08.2013, 04.11.2013, 10.04.2014 , 20.8.14, 04.12.14 and the last one on 11.02.15 .	ESI Corpn. have recently asked NJMC vide their letter no. T-11/11/41/5 2012-REV.1 dated 2nd July 2014 to deposit Rs. 48095390.00 as outstanding contribution and interest. This demand of the ESI seems unjustified as NJMC have already made OTS of Rs. 67.08 Crores in respect of arrear dues as mandated in BIFR scheme and this was accepted by ESI also . A suitable reply vide letter no. NJMC/IA/BIFR/9/2013-14 dated 20th August'14 has been issued rejecting the above claim of ESI.
PROVIDENT FUND COMM.				
OTS of principal and interest amount of Rs. 15933 lakhs in respect of arrear dues of NJMC	NJMC	Fully settled by NJMC	The amount has already been paid during the financial year 2006-2007 to 2009-2010.	
UNSECURED CREDITORS				
To waive damages claimed amounting to Rs. 11.99 crores comprising all the six units of NJMC	PF Commissioner	Waiver not yet granted by PF Authority	First letter No.NJMC/D(F)/2011/1088 dated 29.6.2011 showing unitwise damages on PF was issued by NJMC . Reminders No.NJMC/D(F)/2012/1361 dated 08.11.2012 , No.NJMC/D(F)/2013-14 /279 dated 10.7.2013 , No. NJMC/D(F)/ 2013/471 dated 29.8.2013 , No.NJMC/D(F)/2013/628 dated 25.9.2013 , No.NJMC/D(F)/2014/1215 dated 13.3.2014 , No. NJMC/IA/BIFR/9/13-14/99 dated 24.4.2014 have been issued to PF Authority by NJMC Ltd. Last reminder was issued on 11.02.15 .	PF authority vide their letter dated 28.10.14 requested NJMC Ltd . to furnish copies of 14B orders , payments etc . Officials from PF Office came to visit the relevant records at NJMC Corporate Office . These were shown to them but no result till date .
Pressing /unsecured creditors to accept principal amount towards full and final settlement	NJMC	Not yet fully repaid	Out of total amount of Rs. 27.61 crores a sum of Rs. 17.90 crores (approx) have already been paid . Rest are under process of repayment .	