

NATIONAL JUTE MANUFACTURES CORPORATION LTD.
(A Government of India Undertaking)

33RD ANNUAL REPORT
2012-13

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NATIONAL JUTE MANUFACTURES CORPORATION LTD.
(A Government of India Undertaking)

NOTICE OF THE
33RD ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the National Jute Manufactures Corporation Limited, will be held on 30th September 2013 at 2.00 P.M. in the Registered office of the Corporation, Chartered Bank Buildings, 2nd floor, 4, Netaji Subhas Road, Kolkata 700 001 to transact the following business :

Ordinary Business:

- 1) To consider and adopt the audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended 31st March, 2013 together with the Reports of Auditors and Directors and Comments of the Comptroller and Auditor General of India (CAG) thereon.
- 2) To fix the remuneration of Statutory Auditors for the financial year 2013-14

To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution.

“RESOLVED that pursuant to provision of Section 224(8)(aa) of the Companies Act, 1956 (“The Act”) M/s S R Batliboi & Associates, Chartered Accountants has been appointed as the Statutory Auditors of the Corporation for the year 2013-14 by the Comptroller & Auditor General of India under Section 619(2) of the Act at a remuneration of Rs.1,20,000.00 (Rupees one lac twenty thousand only) in addition to out of pocket expenses.

By Order of the Board

(Yogesh Kumar Garg)
Director (Finance)

Registered Office :

Chartered Bank Building,
2nd floor, 4, N. S. Road,
Kolkata-700001.

Phone : 033-2230-7175 Fax-91-33-2230-5103

Email - njmc_corp@yahoo.co.in

Web: www.njmc.gov.in

Place: Kolkata

Dated, the 5th September, 2013

Note : A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member.

Consent of all the Members has been obtained under Proviso “C” to Section 219(1) of the Companies Act, 1956 for circulation of the Balance Sheet and other documents annexed or attached thereto by less than 21 days Notice.

Consent of all the Members has been obtained to hold the Annual General Meeting at Shorter Notice than that prescribed in Section 171(1) of the Companies Act, 1956.



BOARD OF DIRECTORS 2012-13

Chairman-cum-Managing Director	:	Shri Subrata Gupta (From 01.01.2013) Shri A. Bhattacharya (From 24.08.2011 to 01.01.2013)
Part time Directors	:	Shri Sujit Gulati Mrs. Anita Agnihotri (From 29.05.2012)
Whole time Directors	:	Shri S.K. Mandal (From 26.05.2010 to 31.05.2013)
Company Secretary	:	

AUDIT COMMITTEE

Mrs. Anita Agnihotri	:	Member (From 29.05.2012)
Shri A. Bhattacharya	:	Member (From 24.08.2011 to 01.01.2013)
Shri Subrata Gupta	:	Member (From 01.01.2013)
Shri Sujit Gulati	:	Member
Shri S.K. Mandal	:	Member
Statutory Auditors	:	M Choudhury & Co., Chartered Accountants, 162 Jodhpur Park Kolkata-700 068
Bankers	:	Allahabad Bank UCO Bank Punjab National Bank Central Bank of India Bank of India
Registered Office	:	Chartered Bank Buildings, 2 nd floor, 4, Netaji Subhas Road, Kolkata-700 001.



- Mill Units
- : Alexandra, Jagatdal,
North 24-Paraganas, West Bengal.
 - : Khardah, Titagarh,
North 24-Paraganas, Titagarh, West Bengal.
 - : Kinnison, Titagarh,
North 24-Paraganas, Titagarh, West Bengal.
 - : National,
Rajgunj, Sankrail,
Howrah, West Bengal.
 - : Union,
Convent Lane,
Kolkata-700 015.
 - : R.B.H.M.
Katihar, Bihar.
- Subsidiary Companies
- : Birds Jute & Exports Limited
(Processor of Decorative Fabrics)
4, Netaji Subhas Road, 1st Floor,
Kolkata-700 001.
 - : Works :
200, Dakshindari Road (near V.I.P. Road)
Kolkata - 700 048
(Since 1986)



DIRECTORS' REPORT

To
The Shareholders,
Gentlemen,

The Board of Directors has the pleasure of presenting the 33rd Annual Report of your Company together with the audited accounts for the year ended March 31, 2013.

During the year under review, National Jute Manufactures Corporation procured raw jute from Jute Corporation of India and manufactured Sackings (B-Twill Jute Bags) which were supplied to different state food procuring agencies against the Production Control Orders issued by office of the Jute Commissioner from time to time. More than 3000 contract workers/employees were employed and they were paid wages strictly complying with the statutory provisions of all relevant laws in force.

During the year production increased in comparison to previous year but the production target as projected in the BIFR Revival Scheme could not be achieved due to several factors.

1. CORPORATE PERFORMANCE

The performance for the financial years 2012-13 and 2011-12 are summarized below:

Sl. No.	PARTICULARS	2012-13	2011-12
I.	Production (in M.Ton)	9379	4886
		<i>Rupees in Cr.</i>	<i>Rupees in Cr.</i>
II.	Total Revenue	49.72	15.76
III.	Interest Income	17.67	16.42
IV.	Contribution to Exchequer	3.63	14.58
V.	Profit/Loss		
	Net Loss	16.00	38.21
	Cash Loss	15.43	37.92
	Accumulated Loss	297.88	281.88
VI.	Net Worth	(237.68)	(221.66)

2. PERFORMANCE AS COMPARED TO BIFR PROJECTION

The financial year 2012-13 is the 2nd year after BIFR approved the revival scheme on 31.3.2011. During the year total production was 9379 M.T as against 29000 M.T. as projected in the Revival Scheme approved by BIFR. It is felt that the Indian jute packaging sector has great growth potential and that with rapid economic progress and good monsoons, the demand for jute sacking bags and yarn, particularly in the agricultural sector, would be further strengthened. Therefore to meet the demand for quality product in adequate quantity your Company needs to focus on modernization and upgradation of machineries and plants and full commitment from the workforce to get the desired productivity of 40 mandays per tonne as envisaged in the Revival Plan. The physical performance of the Company during the year vis-a-vis BIFR projection for the 2nd year is indicated below.



Particulars	Actual 2012-13	BIFR Projection 2 nd Year
Production in MT	9379	29000
Total Revenue (Rs in Cr.)	49.73	161.10
Interest Income (Rs in Cr.)	17.67	
Total expenditure excluding Depn. (Rs in Cr.)	82.83	218.16
Cash Loss (Rs in Cr.)	15.43	57.06

3. PROFIT & LOSS ANALYSIS

It will be observed from the Profit & Loss Accounts submitted herewith that the net loss of the Company has decreased from Rs. 38.21 Cr in 2011-12 to Rs.16.00 Cr in 2012-13 and within the estimated projections as per the BIFR Scheme.

The summarized position is stated below:

(Rs. in Crores)

PARTICULARS	2012-13	2011-12
Sales	49.73	15.76
Other income	17.67	16.42
TOTAL	67.40	32.18
Consumption of raw materials and stores	29.27	18.56
Accretion/Decretion of stock	1.51	(8.00)
Power & Fuel	4.71	2.89
Wages through contractor	20.41	7.37
Salaries & benefits	1.42	15.31
VRS Expenditure	–	2.07
Other expenses	25.21	31.60
Interest	0.30	0.30
Depreciation	0.57	0.29
TOTAL	83.40	70.39
Net Profit/Loss (-)	(16.00)	(38.21)
Cash Profit/Loss (-)	(15.43)	(37.92)

4. IMPLEMENTATION OF REVIVAL SCHEME

Your Company has successfully implemented the approved revival scheme and settled major expenditure of the cost of scheme as detailed hereunder:



(Rs. in Crores)

Sl no	Particulars	Cost	Total Fund Released	Spending till 31.03.2012	Spent During 2012-13	Cumulative Spending Up to 31.03.2013	Balance
	ON A/C OF GRANT	1	2	3	4	5=3+4	6=(2-5)
1	VRS Payment for separation of Workmen/ Staffs/Officers (including Arrear DA, Gratuity & Bonus)	730.53	730.53	726.78	–	726.78	3.75
2	Payment of liabilities (PF, ESI, unsecured Creditors, Sales tax dues.)	277.53	277.53	277.65	–	277.65	(0.12)
3	O.T.S to Bank and Financial institution.	59.58	59.58	59.58	–	59.58	–
	Sub - Total	1067.64	1067.64	1064.01	–	1064.01	3.63
	ON A/C OF SOFT LOAN						
1	VRS Payment for separation of Officers (including Arrear DA, Gratuity & Bonus)	98.84	98.84	98.84	–	98.84	–
2	Other Creditors	27.63	27.60	16.23	1.67	17.90	9.70
3	Cash Loss during implementation period.	141.45	141.45	38.20	16.00	54.20	87.25
4	Start Up, modernisation repair & renovation	215.70	113.20	39.34	12.20	51.54	61.66
	Sub - Total	483.62	381.09	192.61	29.87	222.48	158.61
	Grand Total	1551.26	1448.73	1256.62	29.87	1286.49	162.24

5. SUBSIDIARY COMPANY - BJEL

During the year under review, there was no production and sale. The loss for the year 2012-13 is Rs.865.57 lakh in comparison to Rs.1109.00 lakh in 2011-12. The accumulated loss of the Company as on 31st March, 2013 is Rs.10608.33 lakh. Due to continuous loss and erosion of net worth, the Company was declared sick and referred to BIFR in 1999. BIFR has approved the Revival Scheme in its last hearing held on 02-08-2012 at a total cost scheme of Rs.137.88 cr. The entire cost of scheme is to be financed from the sale of land. As the sale of land was to take some time, a bridge loan of Rs 21.20 cr was approved by Ministry of Textile (MOT) in principle and which is also considered in the scheme. The matter was taken up with the MOT for their approval.



6. MEMORANDUM OF UNDERSTANDING (MOU)

The Task Force fixed the various targets under financial, dynamic and sector specific performance for the year 2012-13 for your Company and the MOU was signed accordingly with the Ministry of Textiles. As per audited accounts your Company achieved Good performance under MOU on self assessment.

7. CORPORATE GOVERNANCE

7.1 Company Philosophy

NJMC believes that good Corporate Governance is essential to achieve long term corporate goals. NJMC's philosophy on Corporate Governance is aimed at the attainment of high level of transparency, accountability and compliance of law in all facets of operations, leading to best standards of Corporate Governance.

The Company complies with the requirement of Corporate Governance as per Guidelines for Corporate Governance for Central Public Sector Enterprises, 2010.

7.2 Board of Directors as on 31.03.2013

Name	Designation	No of Board Meeting	Board Meeting Attended	Venue of Board Meeting	AGM Attended
Shri Atri Bhattacharya (from 24.8.2011 to 31.12.2012)	CMD	4	3	Kolkata (2) Delhi (1)	Yes
Shri Subrata Gupta (from 1.01.2013)	CMD	4	1	Kolkata (1)	No
Shri Sujit Gulati	Govt. Director	4	3	Kolkata (2) Delhi (1)	Yes
Shri Rajan Katoch (from 6.1.2012 to 29.05.2012)	Govt. Directors	4	0	Kolkata (0)	No
Mrs Anita Agnihorti, (from 29.05.2012)	Govt. Directors	4	3	Kolkata (2) Delhi (1)	Yes
Shri C.N.B Nair (from 25.05.2011 to 25.09.2012)	BIFR Special Director	4	0	Kolkata (0)	No
Shri S. K. Mandal	Director (Fin)	4	4	Kolkata (3) Delhi (1)	Yes
Board Meetings were held on 25 th May 2012, 27 th September 2012, 23 rd November 2012, 27 th February 2013.					

7.3 Audit Committee

The Audit Committee of your Corporation was constituted in 2001 in accordance with Section 292A of the Act and Regulations incidental/ancillary thereto to follow good corporate governance practice keeping in view its basic purpose. The Quorum of the Audit Committee is two members. The CMD & Director (Finance) attend the meetings. Brief descriptions of the terms of reference of the Audit Committee are:



- a) Review of the Company's financial statements and other reports from time to time; b) Reviewing with the Management and the Auditors the Annual Financial Statements and Reports before submission to the Board, focusing primarily on :-
- i) Any changes in Accounting Policies and Practices
 - ii) Qualifications and significant adjustments arising out of Audit
 - iii) Compliance with Accounting Standards
 - iv) Transactions of material nature involving Management or their relatives, if any
- c) Reviewing with the Management and Auditors, the adequacy of internal control systems, Internal Audit function and frequency of Internal Audit;
- d) Reviewing the Company's financial and other management policies;
- e) To deal with such matter as may be referred to it by the Board in writing or as it considers necessary in the interest of the Organization.

The details of the Audit committee meetings held during the year are as follows:

SL No	Name	Designation	No of Audit Committee Meeting	Audit Committee Meeting attended
1	ShriAtri Bhattacharya	CMD	4	3
2	Shri Subrata Gupta	CMD	4	1
3	Shri Sujit Gulati	Govt. Director	4	3
4	Shri Rajan Katoch	Govt. Director	4	0
5	Mrs Anita Agnihorti	Govt. Director	4	3
6	Sri S. K. Mandal	Director (Fin)	4	4
Dates of Audit Committee Meeting: 25 th May 2012, 27 th September 2012, 23 rd November 2012, 27 th February 2013.				

7.4 General Body meeting

		2009-10 30 th AGM	2010-11 31 st AGM	2011-12 32 nd AGM
01	Date	25.10.2010	26.11.2011	23.11.2012
02	Time	3.30 P.M	4.00 P.M	2.00 P.M
03	Venue	Registered Office Chartered Bank Buildings, 2 nd Floor 4, Netaji Subhash Road Kolkata-700001	Registered Office Chartered Bank Buildings, 2 nd Floor 4, Netaji Subhash Road Kolkata-700001	Registered Office Chartered Bank Buildings, 2 nd Floor 4, Netaji Subhash Road Kolkata-700001

7.5 Disclosures

- i) Disclosures required under the Companies Act 1956, Accounting Standard practice and other Applicable Acts/Rules.
- ii) The requirements as specified in the guidelines have been complied with as per as possible/ applicable to it.



- iii) Presidential Directives issued by the Central Government have been complied with.
- iv) No expenditure which is personal in nature has been incurred by the company.

7.6 Other Information

- i) Board/Audit Committee Meeting and procedure:

The Minimum Number of Meeting of Board/Audit Committee as required under the companies Act, 1956 are held every year. The information usually placed before the Board includes:

- a) Confirmation of the Minutes
 - b) Action Taken Report on decisions taken in the Board
 - c) Performance of individual mills
 - d) Major items of capital expenditure
 - e) Updated status Report on various issues
 - f) Legal Matters
 - g) Annual Accounts
 - h) Auditors – audit reports
- ii) Agenda for Board/Audit Committee Meetings- On fixation of dates of the Board/Audit Committee Meetings, the Agenda papers are prepared and are circulated to the Directors/Members.
 - iii) Post Meeting Follow up Mechanism: Draft Minutes are circulated to the Directors/Members for their consideration before final minutes are circulated. Follow up Reports on decisions recorded in the Minutes of the previous meetings are discussed at the immediately succeeding meeting of the Board/Committee.
 - iv) Recording of Minutes at Board/Committee Meetings: The Minutes of the proceedings of each Board/Committee Meetings are recorded by the Secretarial Department. The Minutes are subsequently confirmed in the following Meeting of the Board/Committee and entered in the Minutes Book accordingly.

7.7 Code of business conduct

Adoption of Code of business conduct and ethics for board members and senior management and risk- management, fraud prevention policy and whistle blower policy as a part of corporate governance are in the process of implementation.

8. POLLUTION CONTROL MEASURES

The Company is constantly taking measures to keep the environmental atmosphere of the factory areas free from water and air pollution.

9. VIGILANCE ACTIVITIES

In view of release of all officers under VRS with effect from 31.10.2011 as per decision of the Government of India and BIFR sanctioned scheme, Shri Prasanta Kumar Dutta who was also holding the additional charge of Chief Vigilance Officer retired from service of the Corporation. To look after work of Chief Vigilance Officer, Shri Arun Kumar Basu, CVO of Jute Corporation of India has taken the charge of CVO (Part time) on secondment basis. To bring awareness at



all levels about evil of corruption the Company observed Vigilance Awareness Week as per directive of the Central Vigilance Commission.

10. OFFICIAL LANGUAGE

The Corporation has been making continuous efforts to implement the Official Language Policy of Govt. of India during the year under review. Quarterly Review Meetings are being held on regular basis to review the progress of implementation of Hindi as an Official Language. Significant progress has been made in the field of correspondence, noting, drafting, use of Hindi software in computers, purchase of Hindi books, cultural programs to encourage Hindi. The Company observed Hindi fortnight.

11. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, as amended, the Directors hereby confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure except (a) treatment of impairment of assets.
- (ii) They 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 2012-13 and of the loss of the Company for the year 2012-13.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared the annual accounts on a going concern basis.

12. BOARD OF DIRECTORS

Shri Atri Bhattacharya, Secretary, National Jute Board, took over as CMD of your Company w.e.f. 23rd August 2011 and relinquished the office 31st December 2012. Shri Subrata Gupta, IAS, Jute Commissioner was appointed as CMD of your Company w.e.f. 1st January 2013. Shri C N B Nair, has been inducted as BIFR Special Director on 25th May 2011 and relinquished the office of Director w.e.f. 25th November 2012. Dr. R. Katoch, AS & FA, MOT, who joined the Board of Directors of your Corporation on 25th May 2011, relinquished the Office of the Director of the your Corporation w.e.f. 25th May 2012. Smt. A. Agnihotri, AS & FA, MOT, has been inducted in the Board of Directors of your Corporation w.e.f. 29th May 2012.

13. STATUTORY INFORMATION AND DISCLOSURES

There was no employee who was in receipt of remuneration in excess of limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 during the year.

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

As required under Section 217 (1) (e) of the Companies Act, 1956 details relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure-I attached hereto and form a part of Directors' Report.



15. RESERVATION FOR SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD COMMUNITIES

Fresh recruitment in NJMC has been stopped since 1991. Your company shall follow the reservation policy while inducting the regular employees on roll of NJMC in future.

16. HUMAN RESOURCE POLICY AND INDUSTRIAL RELATIONS

After offering voluntary retirement to all the employees and workers in accordance with the approved revival scheme, NJMC is engaging workers through contractors for production and was paying wages to contract workers. Due wages alongwith statutory benefits viz. PF, ESI etc. The NJMC has started the production in all three Revival Mills with repair and renovation of old machineries after a gap of 8 years.

Your company has engaged reputed HR agencies to provide various services for implementation of revival Plan by engaging suitable incumbents on their roll and also on the roll of your Company. The Industrial relation in your Company has been cordial during the year in all the three Units of your Company namely Khardah, Kinnison in West Bengal and RBHM in Bihar.

17. AUDITORS & AUDIT REPORTS

Comptroller and Auditor General of India had appointed M/s. M Choudhury & Co, Chartered Accountants as Statutory Auditors for the year ended 31st March 2013. The Auditors' Report to the Shareholders and the Management's Reply thereto is enclosed.

18. REVIEW OF ACCOUNTS BY CAG

The Comptroller and Auditor General of India, has reviewed the accounts of your company under Section 619 (4) of the Companies Act 1956, and their nil comments has been placed in Annexure 'IIA'

19. ACKNOWLEDGEMENT

Your Directors are grateful to the various Ministries of the Government of India particularly the Ministry of Textiles, Ministry of Finance and the Department of Public Enterprises for their support and guidance to the Company from time to time. They are also thankful for the co-operation received from the Governments of West Bengal and Bihar. The Directors also place on record the continued association and support received from Company's Bankers, CAG, Statutory Auditors and its all the employees.

For and on behalf of the Board of Directors

(Subrata Gupta)

Chairman-cum-Managing Director

Place : Kolkata.

Date : 27.08.2013



Annexure - I

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the Companies (Disclosure of particulars in the Board of Director's Report) Rules, 1988.

A. Conservation of energy:

Your Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible and continue to adhere to all regulatory requirements and guidelines. The Company continuously strives through various means to conserve energy and identify methods for optimum use of energy. Information regarding total Energy consumption and energy consumption per "Unit of Production" given in prescribed Form "A" Annexed.

B. Technology Absorption

The operational activities of the Company were suspended for more than eight years due to sickness and erosion of net worth. BIFR approved the revival scheme of this company on 31st march 2011 with modernization plan at a cost of Rs. 215.70 crore. Research and Development as well as the Technology Absorption, Adaptation and Innovation, as such could not be undertaken.

C. Foreign exchange Earnings and outgo

Rs. in Lakh

	Current Year (2012-2013)	Pervious year (2011-2012)
Earned	Nil	Nil
Used	Nil	1.23

**FORM : A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH
RESPECT TO CONSERVATION OF ENERGY**

PARTICULARS	Current Year (2012-2013) Rs. in Lacs	Previous Year (2011-2011) Rs. in Lacs
1. POWER & FUEL CONSUMPTION		
Electricity :		
a) Purchased		
Unit (in '000 KWH)	6005	3403
Total Amount (Rs. in lakh)	454.96	250.76
Rate per KWH (in Rs)	7.58	7.37
b) Own Generation		
Through Diesel Generators		
Unit (in '000 KWH)	1.07	91.82
KWH per Liter. of Diesel oil	3.30	3.20
Cost per KWH (in Rs)	14.13	12.90
2. Coal (steam coal - B & C Grade) :		
Quantity (MT)	Nil	Nil
Total Cost (Rs in Lacs)	Nil	Nil
Average Rate (Rs/MT)	Nil	Nil
3. CONSUMPTION PER M.T. OF PRODUCTION		
Electricity (in KWH)	641	800
Coal (in KG)	Nil	Nil



**Auditor's Certificate on Corporate Governance
To the Members of
NATIONAL JUTE MANUFACTURES CORPORATION LIMITED**

We have examined the compliance of conditions of Corporate Governance by **NATIONAL JUTE MANUFACTURES CORPORATION LIMITED** (the "Company") for the year ended 31st March 2013 as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Sector Enterprises, Government of India, vide Notification No. OM No. 18(8)/2005-GM dated 14th May 2010.

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

On the basis of the records and documents maintained by the Company and the information and explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Guidelines.

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

Place: Kolkata
Date: 27.08.2013

M. CHOUDHURY & CO.
Chartered Accountants
Registration No. 302186E

D. Choudhury
Partner
Membership No. 052066



**COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT,
1956 ON THE ACCOUNTS OF NATIONAL JUTE
MANUFACTURERS CORPORATION LIMITED, KOLKATA FOR
THE YEAR ENDED 31 MARCH 2013.**

The preparation of financial statements of National Jute Manufacturers Corporation Limited for the year ended 31st March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27-08-2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of National Jute Manufacturers Corporation Limited for the year ended 31st March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

(Pramod Kumar)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata

Date: 26 September 2013



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
NATIONAL JUTE MANUFACTURES CORPORATION LIMITED

I Report on the Financial Statements

We have audited the accompanying Financial Statements of NATIONAL JUTE MANUFACTURES CORPORATION LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

II Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free of material misstatement, whether due to fraud or errors.

III Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

IV EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to:

- a) The Additional Information disclosed in Note 10 relating to Fixed Assets and in Note 12 relating to Inventories and
- b) The Company's accumulated losses as at 31st March 2013 being more than 50 % of its net worth as referred to in Para 10 in the Annexure to our Report. The accounts, however, have been drawn on "Going Concern" basis in accordance with the Revival Scheme approved by BIFR on 31.03.2011.

V Opinion

In our opinion and to the best of our information and according to the explanations given to us, read with Emphasis of Matter in the Paragraph IV above and, *subject to our comment that we are unable to express our opinion on:*



- a) the adequacy of provision made in the accounts in the absence of confirmation of balances in respect of Advances included under "Others" as appearing in Note 15 relating to Short Term Loans and Advances,
- b) any impairment loss on Fixed Assets, that may arise, on the carrying amount not being determined by the Company in accordance with Accounting Standard 28 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 as disclosed in Item No.10 in Note 25,
- c) any material discrepancy that may arise in respect of fixed assets of the Company as mentioned in Para 1(b) in the Annexure to our Report.
The aforesaid financial statements 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:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
 - ii) In the case of the Statement of Profit and Loss, of the Loss of the Company 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.

VI Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. As required by sub-section (3) of section 227 of the Companies Act 1956, we report that:
 - a) 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) 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.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) Clause (g) of sub-section (1) of section 274 of the Companies Act 1956 is not applicable to a Government Company pursuant to Notification No. GSR 829(E) dated 21.10.2003 issued by Department of Company Affairs.
 - f) No cess is due and payable by the Company since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 and it has not issued any Rules under the said section, prescribing the manner in which such cess is to be paid.

M. CHOUDHURY & CO.

Chartered Accountants

Registration No.302186E

D. CHOUDHURY

Partner

Membership No.052066

Place: Kolkata
Date: 27.08.2013



NATIONAL JUTE MANUFACTURES CORPORATION LIMITED.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in sub Para 1 under Para VI on **Report on other Legal and Regulatory Requirements** of our report of even date)

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets in respect of Kinnison, RBHM and Khardah Units and Corporate Office and also in respect of the three closed Units, namely National, Union and Alexandra.
- (b) *The fixed assets of the Company have not been physically verified by the management and consequently we are unable to comment on material discrepancy that may arise.*
- (c) According to the information and explanations given to us, the Company has not disposed any substantial part of fixed assets during the year.
2. (a) Physical verification of inventory, consisting of raw materials, work in process, finished goods and stores and spares, has been conducted by the management in respect of Kinnison, RBHM and Khardah Units at reasonable intervals. Physical verification of inventory consisting of stores and spares was not conducted in respect of National, Union and Alexandra Units which are lying closed.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification followed by the management, where conducted, appear to be 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 explanations given to us, the Company is maintaining proper records of its inventory and discrepancies noticed on verification between physical stocks and book records in respect of raw materials, work in process, finished goods and stores and spares were not material. In respect of stores and spares pertaining to National, Union and Alexandra Units the Company holds full provision against the same.
3. The company has neither granted nor taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act 1956. Accordingly clauses (iii) (a) to (g) in Paragraph 4 of the said order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of fixed assets and inventory and for the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weakness in the internal control system of the company.
5. According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act 1956 during the year which are required to be entered in the Register maintained under that section. Accordingly clause v (a) and (b) of paragraph 4 of the said order is not applicable.
6. The company has not accepted any deposit from the public. Consequently the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Companies Act 1956 or any other relevant provisions of the Act and the Rules framed there under are not applicable to the company.



7. The company has an Internal Audit system which, in our opinion, is commensurate with the size and nature of business of the company.
8. We have broadly reviewed the books of account maintained by the Company, without making a detailed examination of the same, pursuant to the rules made by the Central Government for maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and records have been maintained.
9. (a) According to the books and records of the Company examined by us we state that the Company was generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. However there are arrear statutory dues towards Damages sought for waiver from BIFR, which are yet to be settled. According to the information and explanations given to us, the total undisputed statutory dues outstanding as at 31st March 2013 for a period exceeding six months from the date they became payable are as follows:

Particulars	As at 31.03.2013 (Rs. In Lakhs)	As at 31.03.2012 (Rs. In Lakhs)
Income Tax Deducted at Source from Contractors' Bills	7.30	316.74
Labour Welfare Fund	1.91	1.91
Interest Payable on Profession Tax	68.69	68.69
Total	77.90	387.34

- (b) According to the records of the company and according to the information and explanations given to us, there are no disputed dues to be deposited in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as at 31st March 2013 except as below:

Particulars	Period for which it relates	As at 31.03.2013 (Rs.In Lakhs)	As at 31.03.2012 (Rs.In Lakhs)	Form where Pending
Excise Duty	Pending for a very long time	22.14	22.14	Assistant Collector of Central Excise
Interest on P. F. Dues and Damages	Pending for a very long time	1199.55	1199.55	Central P.F. Commissioner
Employer's Share of Contribution of E,S.I., Interest and Damages	Pending for a very long time	3727.17	3727.17	Director General ESIC
Total		4948.86	4948.86	

10. The company has accumulated losses as at 31st March 2013 which is more than 50% of its net worth. It has incurred cash losses in the current financial year and also in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to financial institutions or banks during the year. The Company has not issued any Debentures.



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. In our opinion, the company is not a Chit Fund or Nidhi or Mutual Benefit Fund or Society and accordingly the provisions of any special statute as specified in clause (xiii) of paragraph 4 of the said order are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures, bonds and other investments.
15. In our opinion, the terms and conditions on which the company has given guarantee for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the company.
16. On the basis of review of utilisation of funds pertaining to Term Loans and related information and explanations given to us, we observed that on an overall basis the Term Loans taken by the company were applied for the purposes for which those were obtained.
17. According to the information and explanations given to us and on an overall basis the Company has not used funds raised on short term basis for long term investments.
18. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under section 301 of The Companies Act 1956.
19. As the Company has not issued debentures, clause (xix) of paragraph 4 of the said order is not applicable to the Company.
20. As the Company has not raised any money by public issue during the year, clause (xx) of paragraph 4 of the said order is not applicable to the Company.
21. As represented to us by the management and based on our examination in the normal course of audit, no fraud on or by the Company has been noticed or reported during the year.

M. CHOUDHURY & CO.
Chartered Accountants
Registration No.302186E

D. CHOUDHURY
Partner
Membership No.052066

Place: Kolkata
Date: 27.08.2013



BALANCE SHEET AS AT 31ST MARCH, 2013

(Rs. in Lakh)

	Note no.	As at 31st March, 2013		As at 31st March, 2012	
(A) EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	2	5579.74		5579.74	
(b) Reserves and Surplus	3	(29344.61)	(23764.87)	(27744.22)	(22164.48)
(2) Non-Current Liabilities					
(a) Long-Term Borrowings	4	39400.63		35897.08	
(b) Long-Term Provisions	5	23.35	39423.98	8.31	35905.39
(3) Current Liabilities					
(a) Short-Term Borrowings	6	98.50		111.13	
(b) Trade Payables	7	2723.31		2741.09	
(c) Other Current Liabilities	8	5436.87		5720.22	
(d) Short-Term Provisions	9	189.08	8447.76	189.08	8761.52
TOTAL			24106.87		22502.43
(B) ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	1158.16		1180.18	
(ii) Capital Work-in-Progress	10	44.53	1202.69	-	1180.18
(b) Non-Current Investments	11		0.41		0.51
(2) Current Assets					
(a) Inventories	12	1740.84		2145.32	
(b) Trade Receivables	13	249.50		5.91	
(c) Cash And Cash Equivalents	14	19044.78		17336.07	
(d) Short-Term Loans and Advances	15	687.27		746.63	
(e) Other Current Assets	16	1181.38	22903.77	1087.81	21321.74
TOTAL			24106.87		22502.43

Significant Accounting Policies 1
 Notes forming integral part of the
 Financial Statements 1-25
 In terms of our report of even date

M. CHOUDHURY & CO.
 Chartered Accountants
 Registration No. 302186E

YOGESH KUMAR GARG
 Director (Finance)

SUBRATA GUPTA
 Chairman-cum-Managing Director

(D. Choudhury)
 Partner
 Membership No.052066

Date : 27th August 2013
 Place : Kolkata

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

(Rs. in Lakh)

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012	
INCOME				
1	Revenue from Operations	17	4972.84	1575.88
2	Other Income	18	1766.68	1642.24
3	Total Revenue (1+2)		6739.52	3218.12
4 EXPENSES				
	(a) Cost of Raw Materials Consumed	19	2616.76	1668.48
	(b) Change in Inventories of Finished Goods and Work-in-Process	20	151.01	(799.53)
	(c) Employee Benefits Expenses	21	142.47	1738.18
	(d) Finance Costs	22	29.56	29.56
	(e) Depreciation and Amortisation Expenses	10	56.82	29.01
	(f) Other Expenses	23	5343.15	4373.32
	Total Expenses (a+b+c+d+e+f)		8339.77	7039.02
5	(Loss) before exceptional and extraordinary items and tax (3 - 4)		(1600.25)	(3820.90)
6	Exceptional Items		—	—
7	(Loss) before extraordinary items and tax (5+6)		(1600.25)	(3820.90)
8	Extraordinary items		—	—
9	(Loss) before tax (7-8)		(1600.25)	(3820.90)
10	Tax Expense			
	(a) Current Tax		—	—
	(b) Deferred tax		—	—
11	(Loss) for the year (9 +10)		(1600.25)	(3820.90)
12	Earnings per Equity Share			
	(In Rs. for an equity Share of Rs.1,000/- each)			
	Basic	24	(286.80)	(684.78)
	Diluted	24	(286.80)	(684.78)

Significant Accounting Policies 1
Notes forming integral part of the Financial Statements 1-25
In terms of our report of even date

M. CHOUDHURY & CO.
Chartered Accountants
Registration No. 302186E

YOGESH KUMAR GARG
Director (Finance)

SUBRATA GUPTA
Chairman-cum-Managing Director

(D. Choudhury)
Partner
Membership No.052066

Date : 27th August 2013
Place : Kolkata



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(Rs. in Lakh)

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
A. Cash Flow from Operating Activities				
Net Profit / (Loss) before extraordinary item and Tax.		(1600.25)		(3820.90)
Adjustments for:				
Depreciation		56.82		29.01
Interest expense		29.56		60.89
Interest Income		(1672.26)		(1402.48)
Adjustment for Govt. Grant (Reserve)		(0.14)		(0.11)
		(1586.02)		(1312.69)
Operating Profit before Working Capital Change		(3186.27)		(5133.59)
Increase / Decrease in Inventories		404.48		(65.19)
Increase / Decrease in Trade Receivables		(243.59)		(5.91)
Increase / Decrease Loan & Advances and Other Current Assets		59.36		9668.77
Increase / Decrease in Trade Payables		(313.76)		(13873.24)
Increase / Decrease Current Liabilities		(12.63)		217.96
		(106.14)		(4057.61)
Cash Flow from Operations		(3292.41)		(9191.20)
Net Cash from Operating Activities (A)		(3292.41)		(9191.20)
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets		(79.29)		(414.44)
Interest Income		1606.41		718.50
Net cash from Investing Activities (B)		1527.12		304.06
		1527.12		304.06
C. Cash flow from financing Activities				
Proceeds from long term Borrowing		3474.00		5647.88
Interest Expenses		-		(31.33)
Net cash used in Financial Activities (C)		3474.00		5616.55
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)		1708.71		(3270.59)
Cash and Cash Equivalents at the beginning of the year		17336.07		20606.66
Cash and Cash Equivalents at the end of the year		19044.78		17336.07

Contd ... 2



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013 (Contd)

Comonents of Cash and Cash equivalents are :

	For the year ended 31st March, 2013		(Rs. in Lakh) For the year ended 31st March, 2012	
a) Balances with Banks				
(i) In current account	375.67		588.76	
(ii) In fixed deposit account	18653.98		16731.38	
(iii) Margin Money	3.10	19032.75	3.10	17323.24
Less :- Provision against		3.10		3.10
		19029.65		17320.14
b) Drafts on hand		13.15		13.15
c) Cash on hand		1.98		2.18
		19044.78		17336.07

ADDITIONAL INFORMATION

- An amount of Rs.18.10 lakhs, included in current account with Bank of India as on 31.03.2013 (Previous YearRs. 18.10 Lakhs), has been attached by Certificate Officer, Gratuity, for recovery of their dues.
- An amount of Rs 1.87 lakhs, included in current account with Indian Bank as on 31.03.2013 (Previous Yeir Rs. 1.87 lakhs), has been attached by Provident Fund Commissioner, for recovery of their dues.
- Drafts on Hand represents compensation due to retrenchment of 6 Nos. of Staff of Unit: Khardah which was not accepted by the Staff. These Drafts, being more than three months old, are not valid. However, the matter being under dispute, the entire amount consisting of these six Drafts has been shown as Drafts on Hand. Corresponding Libility has been included in Creditors for accrued wages and salaries under Note 7-Trade Payables of the Financial SateMENTS.

M. CHOUDHURY & CO.
Chartered Accountants
Registration No. 302186E

YOGESH KUMAR GARG
Director (Finance)

SUBRATA GUPTA
Chairman-cum-Managing Director

(D. Choudhury)
Partner
Membership No.052066

Date : 27th August 2013
Place : Kolkata

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****NOTE 1 SIGNIFICANT ACCOUNTING POLICIES****1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles and the Company follows Mercantile system of accounting and recognizes income and expenditure on accrual basis.

1.2 FIXED ASSETS :

1.2.1 Fixed Assets are valued at cost/book value as on the date of nationalisation.

Expenditure on minor items, i.e. cost not exceeding Rupees Five thousand per item, is charged to revenue in the year the expenditure is incurred.

1.2.2 DEPRECIATION :

Depreciation on fixed assets is charged on written down value as per Schedule - XIV to the Companies Act, 1956.

1.2.3. Plant & Machinery declared as discarded and /or obsolete are shown as current assets at their book value.

1.3 INVESTMENTS

Investments are valued at cost / book value as on the date of nationalisation.

1.4 VALUATION OF STOCK :

1.4.1 Raw Jute is valued at cost, determined on FIFO basis, or market price whichever is lower.

1.4.2 Finished Goods are valued at costs or market value whichever is lower. Cost includes all direct cost and applicable manufacturing and administrative overheads.

1.4.3 Work-in-process is valued at lower of estimated cost and realisable value.

1.4.4 Stores and spares are valued at weighted average basis. Unusable items, on the basis of technical assessment, of stores and spares are valued at Re.1/- per item till eventual disposal. In absence of the technical assessment provisions are made for slow moving items @ 50% and for non moving and obsolete items @ 100% on Physical Verification.

1.5 REVENUE RECOGNITION

1.5.1 Turnover – i) Sales are considered on the basis of delivery / on receipt of full consideration against Paid Delivery Order, and exclusive of any duty / tax.

ii) Processing income on the basis of excise production.

1.6 CONTINGENT AND OTHER LIABILITIES

Show-cause notice received from various Governments / Revenue Authorities are not considered as contingent liabilities. When the demands are raised against such show cause notices, after considering Company's views, these demands are either paid or treated as liabilities, if accepted by the Company and are treated as contingent liability, if disputed by the Company.

1.7 RETIREMENT BENEFITS

1.7.1 Gratuity : Liability for gratuity has been provided on the basis of actuarial valuation in respect of employees on roll as on the date of closing of accounts. Gratuity fund has not so far been created against the said liability.

1.7.2 Leave Encashment : Liability for Leave Encashment has been provided on the basis of actuarial valuation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****NOTE 2 SHARE CAPITAL**

	As at 31st March 2013	(Rs. in Lakh) As at 31st March 2012
AUTHORISED		
600000 Equity Shares of Rs.1,000/- each (Previous Year 600000 Equity Shares)	6000.00	6000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
557974 Equity Shares of Rs.1,000/- each (Previous year 557974 Equity Shares)	<u>5579.74</u>	<u>5579.74</u>
TOTAL	<u>5579.74</u>	<u>5579.74</u>

ADDITIONAL INFORMATION

- a) Of the above 366000 Equity Shares of Rs. 1,000/- each were allotted as fully paid up shares against Nationalization Adjustment Account, without payment having been received in cash.
- b) There has been no change / movement in number of shares outstanding as at the beginning and as at the end of the year.
- c) The Company has only one class of Equity Shares having face value of is Rs.1,000/ per share. Each holder of equity shares is entitled to one vote per share and equal right for dividend.
- d) Shareholders holding more than 5 percent shares in the Company :

Name of the Shareholders	As At 31st March 2013		As At 31st March 2012	
	No. of Shares	(%)	No. of Shares	(%)
President of India	557972	99.99	557972	99.99



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 3 RESERVES AND SURPLUS

(Rs. in Lakh)

	As at 31st March 2013	As at 31st March 2012
Capital Reserve		
Against Government Grants		
Opening Balance	1.95	2.06
Add :- Addition / Transferred during the year	—	—
Less: Utilised / Transferred during the year	<u>0.14</u>	<u>0.11</u>
Closing Balance	1.81	1.95
Revaluation Reserve		
Opening Balance	441.81	441.81
Add :- Addition during the year	—	—
Less: Utilised / Transferred during the year	<u>—</u>	<u>—</u>
Closing Balance	441.81	441.81
(Deficit) in Statement of Profit and Loss		
Opening Balance	(28187.98)	(24367.08)
Balance in Statement of Profit and Loss	(1600.25)	(3820.90)
Closing Balance	<u>(29788.23)</u>	<u>(28187.98)</u>
TOTAL	<u>(29344.61)</u>	<u>(27744.22)</u>

ADDITIONAL INFORMATION

Capital Reserve

a) Against balance of grant received from Bihar Government, amounting to Rs.150 Lakhs, in 1988-89 for acquiring Fixed Assets after adjustment of depreciation on the assets so procured out of the above funds in respect of Unit RBHM.	1.17	1.17
b) Against balance of grant received from IJIRA, amounting to Rs.5.44 Lakhs, in 1988-89 for installation of Ring Spinning Frame under UND Project after adjustment of depreciation on the assets so procured out of the above funds in respect of Unit Kinnison	0.52	0.66
c) Subsidy of Rs. 0.01 Lakh being the balance of grant received from WB Industrial Development Corporation Limited in 1982-83 amounting to Rs. 6.97 Lakh for installation of captive power diesel power generating set in respect of Unit Kinnison after adjustment of depreciation from the date acquisition P.Y. 0.01 Lakh.	0.11	0.11
d) The difference between market value and book value of Investments in respect of Unit RBHM as on the date of nationalisation	<u>0.11</u>	<u>0.11</u>
	<u>1.81</u>	<u>1.95</u>

Revaluation Reserve

The difference between the revalued amount (as per valuation report in 1997-98) and book value as on 31.03.1993 in respect of Land situated at Katihar and Land and Building situated at Kalimpong and Forbesgunj in respect of Unit RBHM (Reference: Additional Information No.7 and 8 in Note 10 on Fixed Assets)

441.81	441.81
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 4 LONG TERM BORROWINGS

	As at 31st March 2013	(Rs. in Lakh) As at 31st March 2012
A) Other loans and advances (Unsecured)		
i) From Government of India	38109.41	34635.41
ii) From Government of West Bengal	281.48	281.48
iii) Interest accrued and due on borrowings from Government of West Bengal	1009.74	980.19
TOTAL	39400.63	35897.08

ADDITIONAL INFORMATION

- Loan received from Government of India as additional budgetary support is interest free as per the restructuring/revival scheme of NJMC approved by Cabinet Committee on Economic Affairs (CCEA) and BIFR.
- The Company has not provided any security or any guarantee in respect of the above Loans from Government of India and Government of West Bengal.
- The Company has defaulted in repayment of loans and interest in respect of the following :

	As at 31st March 2013		As at 31st March 2012	
	Period of default	Amount (Rs.In Lakhs)	Period of default	Amount (Rs.In Lakhs)
Loan from Government of West Bengal :				
i) Principal	Since 31.3.94	281.48	Since 31.3.94	281.48
ii) Interest	Since 31.3.94	1009.74	Since 31.3.94	980.19
TOTAL		1291.22		1261.67

The company is yet to receive the formal consent from Government of West Bengal in respect of :

- adjustment of Principal Amount of Rs.281.48 Lakhs above against compensation receivable for acquisition of Land by them as referred to in Additional Information 4 in Note 10 on Fixed Assets and
- conversion of accrued interest of Rs.922 Lakhs included in the above Interest amount of Rs.1009.74 Lakhs (P.Y. Rs.980.19 Lakhs) into a Soft Loan in accordance with BIFR Approved Scheme.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 5 LONG TERM PROVISIONS

	As at 31st March 2013	(Rs. in Lakh) As at 31st March 2012
Provision for Employee Benefits		
i) Provision for Leave encashment	11.83	2.90
ii) Provision for Gratuity	<u>11.52</u>	<u>5.41</u>
TOTAL	<u>23.35</u>	<u>8.31</u>

NOTE 6 SHORT TERM BORROWINGS

	As at 31st March 2013	(Rs. in Lakh) As at 31st March 2012
Retention Money/EMD	98.50	111.13
	<u>98.50</u>	<u>111.13</u>

NOTE 7 TRADE PAYABLES

	As at 31st March 2013	(Rs. in Lakh) As at 31st March 2012
i) Creditors for supplies	2204.80	2216.34
ii) Creditors for accrued wages and salaries	<u>518.51</u>	<u>524.75</u>
TOTAL	<u>2723.31</u>	<u>2741.09</u>

ADDITIONAL INFORMATION

a) Creditors for accrued wages and salaries include:

VRS Payable	114.16	114.16
Income Tax Refundable to Employees	3.87	3.87
Profession Tax Refundable to Employees	<u>8.49</u>	<u>8.49</u>
	<u>126.52</u>	<u>126.52</u>

The above are still under reconciliation and adjustment required in the Accounts, if any, will be carried out once the reconciliation process is completed.

b) Disclosure Under Section 22 of the Micro, Small and Medium Enterprise

i) Principal amount remaining unpaid to any supplier as at the end of the year	55.06	55.06
ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	90.25	87.00
iii) Interest due and payable for the year	<u>3.25</u>	<u>7.92</u>
TOTAL	<u>148.56</u>	<u>149.98</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****NOTE 8 OTHER CURRENT LIABILITIES**

	As at 31st March 2013	(Rs. in Lakh) As at 31st March 2012
i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	5306.33	5592.93
ii) Interest accrued on Trade Payables	90.25	87.00
iii) Undisbursed claim of Commissioner of Payments	40.29	40.29
TOTAL	<u>5436.87</u>	<u>5720.22</u>

ADDITIONAL INFORMATION

Statutory Remittances includes damages amounting to Rs.3729 Lakhs and Rs.1200 Lakhs claimed by ESI Corporation and PF Commissioner respectively for which waiver has been sought from the Competent Authorities in accordance with BIFR Approved Scheme.

NOTE 9 SHORT TERM PROVISIONS

	As at 31st March 2013	(Rs. in Lakh) As at 31st March 2012
Provision for Contingency	189.08	189.08
TOTAL	<u>189.08</u>	<u>189.08</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Note 10 FIXED ASSETS

(Rs. in Lakh)

Tangible assets	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	As at 31st March 2012	Addition Deduction As at 31st March 2013	Upto 31st March 2012	For the Year	Adjustment 31st March 2013	Upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
(a) Land								
Freehold	605.59	— —	—	—	—	—	605.59	605.59
(b) Buildings	998.34	— —	524.44	35.92	—	560.36	437.98	473.90
(c) Plant and Equipment	3860.72	12.41	3789.52	9.23	—	3798.75	74.38	71.20
(d) Furniture and Fixtures	69.90	0.96	60.42	1.41	0.15	61.68	9.07	9.48
(e) Vehicles	27.81	19.61	14.96	6.75	—	21.71	25.71	12.85
(f) Computer	60.54	1.78	53.42	3.51	—	56.93	5.39	7.12
(g) Railway Siding	1.55	— —	1.51	—	—	1.51	0.04	0.04
Total Tangible Assets (A)	5624.45	34.76 0.11	4444.27	56.82	0.15	4500.94	1158.16	1180.18
Previous year	5195.98	428.52 0.05	4415.26	29.01	—	4444.27	44.53	34.53
Capital Work in Progress								
Less: Provision								
Total Capital Work in Progress (B)							44.53	—
Total Fixed Assets (A+B)							1202.69	1180.18

(Contd...)



NOTE 10 FIXED ASSETS (contd...)

ADDITIONAL INFORMATION

- 1) Plant and Equipments include 8 Nos. Herackle Machines pertaining to Unit Alexandra which is lying with a third party prior to the date of Nationalisation.
- 2) Confirmation/acknowledgement from the respective units are yet to be received for inter unit transfer of two spinning frames from Unit Khardah during the year 1992-93.
- 3) Land includes Leasehold Land, pertaining to Unit Khardah, the value of which could not be ascertained.
- 4) Land includes 4.48 acres of land of Unit Khardah acquired by Govt of West Bengal, estimated value of which is Rs.0.29 Lakhs as per valuation report dated 31.03.93 by an independent valuer, for setting up Titagarh Thermal Power Plant of Calcutta Electric supply Corporation Ltd. Necessary adjustment will be made on receipt of compensation amount.
- 5) Building includes written down value of building on leasehold premises amounting to Rs.1,805/- (Previous year Rs.2,006) pertaining to Unit Kinnison.
- 6) Fixed Assets vested under the provision of the Jute Companies (Nationalisation) Act, 1980 on 20th December, 1980 with National Jute Manufactures Corporation Ltd., include land and building at 5, Alipore Road, Calcutta, valued at Rs. 8.13 Lakhs in respect of Unit-Alexandra but not in possession of the Company. This property was mortgaged prior to the date of take-over of the Management of the Alexandra Jute Mills Ltd. under the Industries (Development & Regulations) Act, 1951 [I (D&R) Act, 1951] and was under an "Agreement to Sale" on the date of such take over. The Sale Agreement was, however, not concluded and was challenged by the Management under the provision of Industries (Development & Regulations) Act, 1951 at Alipore Court, Calcutta. An Interim order of injunction was ultimately issued by the High Court on 8th September, 1981 directing that all further proceedings at Alipore Court be stayed. Subsequently the mortgagee had filed a writ petition in the Calcutta High Court challenging the applicability of the provisions of I (D&R) Act, 1951. Thereafter Alexandra Jute Mills Ltd. was nationalised under Jute Companies (Nationalisation) Act, 1980 with effect from 20.12.80 and the Assets were vested to this Corporation free from all encumbrances. The mortgagee thereafter, filed another writ petition in the Calcutta High Court challenging the provisions of the Jute Companies (Nationalisation) Act, 1980 and their validity. The Writ Petition filed by the mortgagee challenging the applicability of provisions of Industries (Development & Regulations) Act, 1951 has since been dismissed by the Hon'ble High Court, Calcutta and thereafter an interim order of status quo is passed by the Hon'ble High Court, Calcutta.

The opinion of standing counsel M/s, Fox & Mondal that premises No. 5, Alipore, Kolkata vested in Central Govt. which has again vested in NJMC under Section 6 of the Jute Companies (Nationalisation) Act. 1980 and NJMC is the owner of the said property free from all mortgages or lien or encumbrances, However, NJMC has sought for opinion at the instruction of MOT vide their letter F. No. 17/16/2006 – JE dated 24/12/2007 in which MOT asked NJMC to examine the issue from Legal point of view. Accordingly NJMC has referred the matter to Ministry of Law Justice & Company affairs vide letter No. NJMC/CMD/8 dated 28/01/2008 and also to Barrister Sri Anindya Kumar Mitra on the aforesaid matter. The opinions received from Ministry of Law & Justice and Barrister Sri Anindya Kumar Mitra were forwarded to MOT vide letter No. NJMC/CMD/08/239 dated 3rd April,2008 along with opinion of our dealing Counsel M/s. Fox & Mondal. The MOT vide their letter No. 17/1/2006 – JE dated 30th April, 2008 stated that the opinion of



Sri Anindya Kumar Mitra, Barister and Sr. Advocate as well as of Ministry of Law and Justice Branch Secretariat, Kolkata is that the ownership of the premises No. 5, Alipore Road, cannot be deemed as vesting in Central Govt./NJMC under the Nationalisation Act. On the other hand the standing counsel on behalf of NJMC has opined otherwise. MOT further directed that the affidavits in reply on behalf of NJMC and Union of India (MOT) may be amended in the Hon'ble High Court, Calcutta based on the above majority legal opinion which included legal opinion from Ministry of Law & Justice branch secretariat Kolkata, that the Nationalisation Act, should not be applicable on the said property as the property was no longer a property of Alexandra during the time of Nationalisation. However, the affidavits were not filed.

Since the matter is subjudice no adjustment has been made in the accounts.

- 7) Value of land pertaining to Unit RBHM, measuring 96 Bighas 15 Kattahs, 5 Dhurs has been capitalised for Rs.373.02 Lakhs in 1999-2000 with the approval of Board of Directors on 21.06.2000 as per valuation report as on 31.03.93 of M/s Esjay Consultants Pvt Ltd. appointed by IIBI.
- 8) Value of Land includes 4.03 acres of land valued at Rs. 41.55 Lakh and Value of Building includes building valued at Rs.27.24 Lakh situated at Kalimpong & Forbesgunj of Unit R.B.H.M as per valuation Report as on 31.03.93 of M/s Esjay Consultants Pvt Ltd. appointed by IIBI duly approved by the Board of Directors on 24th December, 1997 and the same have been capitalised during the year 1997-98.
- 9) The Title deeds of land which were mortgaged to IIBI, has been received by the Company during the year 2006-07. Some of the Title Deeds are torn and in precarious condition. Hence it is not possible to physically verify the same.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 11 NON CURRENT INVESTMENTS

		(Rs. in Lakh)	
As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
Other than Trade Investments			
	Number		
(A) INVESTMENT IN EQUITY INSTRUMENTS			
EQUITY SHARES IN SUBSIDIARY COMPANIES			
- UNQUOTED			
14415	14415	Birds Jute & Exports Ltd., Ordinary Share (Face value Rs.100/- each)*	—
10	10	Birds Jute & Exports Ltd., Ordinary Shares (Face value Rs.100/- each)*	—
143	143	Birds Jute & Exports Ltd., 7% Cumulative Preference Share (Face value Rs.100/- each)	<u>0.01</u>
			<u>0.01</u>
EQUITY SHARES IN ASSOCIATED COMPANIES			
- UNQUOTED			
5	5	The Kinnison Jute Mills Co. Ltd., (Face value Rs.100/- each)*	<u>—</u>
			<u>—</u>
EQUITY SHARES IN CO-OPERATIVE SOCIETIES			
- UNQUOTED			
250	250	Union North Jute Mills Employees' Co-Operative Stores Ltd., (Face value Rs.10/- each) *	<u>—</u>
			<u>—</u>
EQUITY SHARES IN OTHER COMPANIES -QUOTED			
180	180	Duncans Agro Industries Ltd. . (Face value Rs.10/- each)	<u>0.01</u>
111	111	Birla Corporation Limited., (Face value Rs.10/- each)	<u>0.01</u>
42	42	Cheviot Company Ltd., (Face value Rs.10/- each) *	<u>—</u>
			<u>0.02</u>
EQUITY SHARES IN OTHER COMPANIES			
- UNQUOTED			
180	180	Hathikhira Tea Co. Ltd., (Face value Rs.10/- each)	<u>0.01</u>
1200	1200	Jaipur Udyog Ltd., (Face value Rs.10/- each)	<u>0.02</u>
95	95	Budge Budge Co. Ltd., (Face value Rs.10/- each)	<u>0.01</u>
95	95	Delta Jute & Industries Ltd., (Face value Rs.10 each)*	—
20	20	The Ganges Manufacturing Co. Ltd., (Face value Rs.10/- each)*	—
2	2	Anglo India Jute Mills Co. Ltd. (Face value Rs.100/- each)*	—
26	26	The Empire Jute Co. Ltd., (Face value Rs.10/- each)*	—
600	600	Willard India Ltd. 600 Nos. (Face value Rs.10 each)	<u>0.01</u>
3	3	Lawrence Investment & Property Co. Ltd. 3 Nos. (Face value Rs.100/- each)	<u>0.01</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE II NON CURRENT INVESTMENTS (CONTD.)

		(Rs. in Lakh)	
As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
100	100	0.01	0.01
36972	36972	—	—
2700	2700	0.11	0.11
		0.18	0.18
Nuner of Share / Security/ Bonds /Units			
70	70	—	—
(B) INVESTMENT IN PREFERENCE SHARES			
		—	—
(C) INVESTMENT IN GOVERNMENT SECURITIES			
		0.01	0.01
		0.04	0.04
7 Years National Savings Certificate :-			
		0.05	0.05
		0.15	0.15
		0.01	0.01
		0.01	0.01
		0.42	0.42
		0.01	0.01
		0.04	0.04
		0.74	0.74
(D) INVESTMENT IN DEBENTURES - UNQUOTED			
		0.36	0.36
		0.36	0.36
TOTAL			
		0.90	0.80
TOTAL			
		0.41	0.51
* Denotes the Book Value of which is below Rs.1,000/-.			
		0.04	0.04
		0.37	0.47
		0.41	0.51
		NA	NA



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE II NON CURRENT INVESTMENTS (CONTD.)

ADDITIONAL INFORMATION

- (1) Unit : National - Investments of 5 Equity Shares of Rs. 100/- each with Kinnison Jute Mills Co. LTD. (unquoted) book value Rs.1/- stand in the name of National Co. Ltd., awaiting transfer in the name of the Corporation.
- (2) Unit : Union - Certain Investment (Book Value Rs. 8981) continued to be registered in the name of the erstwhile Union Jute Company Limited.
- (3) Investments in Government Securities are lodged with Government Authorities/Other Agencies.

U N I T	BOOK VALUE (Rs.)
National	3200
Union	46328
Kinnison	13210
Khardah	441

- (4) Provision made for doubtful of recovery :

U N I T	(Rs)
National	7857
Union	14170
Kinnison	42328
Khardah	4883
R.B.H.M	21340
TOTAL	<u>90578</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 12 INVENTORIES

	(Rs. in Lakh)	
	As at 31st March 2013	As at 31st March 2012
a) Raw Materials (At Lower of Cost or Market price)	500.34	691.75
Add : In Transit	—	41.23
	500.34	732.98
b) Work in Process (At Lower of estimated cost or realisable value)	178.23	210.99
c) Finished Goods (At Lower of cost or market price)	876.79	995.04
d) Stores & Spares (At or under Cost)	437.90	458.73
Less - Provision for diminution in value	252.42	252.42
	185.48	206.31
TOTAL	1740.84	2145.32

ADDITIONAL INFORMATION

- a) On the basis of physical verification of Stores and Spares conducted at RBHM, Khardah and Kinnison Units as the year end shortage/excess were detected as mentioned below.

Unit	Shortage	Excess
	Rs. In Lakhs	Rs. In Lakhs
RBHM	2.82	0.77
Khardah	1.02	0.41
Kinnison	0.03	0.16
Total	3.87	1.34

The matter is still under reconciliation and necessary adjustments in the Accounts will be carried out after the reconciliation process is completed.

In the previous year no such exercise was carried out.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 13 TRADE RECEIVABLES

	(Rs. in Lakh)	
	As at 31st March 2013	As at 31st March 2012
Outstanding for a period exceeding six months		
Unsecured - Considered Good	—	—
- Considered Doubtful	190.65	190.65
Less : Provision for Doubtful Trade Receivables	190.65	190.65
Other Receivables - Considered Good	249.50	5.91
TOTAL	249.50	5.91

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****NOTE 14 CASH AND CASH EQUIVALENTS**

	(Rs. in Lakh)	
	As at 31st March 2013	As at 31st March 2012
a) Balances with Banks		
(i) In current account	375.67	588.76
(ii) In fixed deposit account	18653.98	16731.4
(iii) Margin Money	<u>3.10</u> 19032.75	<u>3.10</u> 17323.24
Less :- Provision against Margin Money	<u>3.10</u>	<u>3.10</u>
	19029.65	17320.14
b) Drafts on hand	13.15	13.15
c) Cash on hand	1.98	2.78
	<u>19044.78</u>	<u>17336.07</u>

ADDITIONAL INFORMATION

- a) An amount of Rs.18.10 lakhs, included in current account with Bank of India as on 31.03.2013 (Previous Year Rs.18.10 Lakhs), has been attached by Certificate Officer, Gratuity, for recovery of their dues.
- b) An amount of Rs.1.87 lakhs, included in current account with Indian Bank as on 31.03.2013 (Previous Year Rs.1.87 lakhs), has been attached by Provident Fund Commissioner, for recovery of their dues.
- c) Drafts on Hand represents compensation due to retrenchment of 6 Nos. of Staff of Unit: Khardah which was not accepted by the Staff. These Drafts, being more than three months old, are not valid. However, the matter being under dispute, the entire amount consisting of these six Drafts has been shown as Drafts on Hand. Corresponding Liability has been included in Creditors for accrued wages and salaries under Note 7 - Trade Payables.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 15 SHORT TERM LOANS AND ADVANCES

	As at 31st March 2013	As at 31st March 2012
(Rs. in Lakh)		
a) Loans and advances to related parties		
Unsecured — considered good	305.45	257.76
— considered doubtful	<u>3878.00</u>	<u>3869.25</u>
	<u>4183.45</u>	4127.01
Less: Provision	<u>3878.00</u>	<u>3869.25</u>
	305.45	257.76
b) Advance recoverable in cash or kind or for value to received		
i) Income Tax deducted at Source		
— Considered good	157.15	155.95
— Considered doubtful	<u>13.89</u>	<u>13.89</u>
	<u>171.04</u>	169.84
Less:- Provision	<u>13.89</u>	<u>13.89</u>
	157.15	155.95
ii) Security deposits		
Unsecured — considered good	79.30	78.74
— considered doubtful	<u>9.80</u>	<u>9.79</u>
	<u>89.10</u>	88.53
Less: Provision	<u>9.80</u>	<u>9.79</u>
	79.30	78.74
iii) Balances with Government Authorities		
Unsecured — considered good	3.41	2.96
— considered doubtful	<u>5.17</u>	<u>5.17</u>
	<u>8.58</u>	8.13
Less: Provision	<u>5.17</u>	<u>5.17</u>
	3.41	2.96
iv) Others		
Unsecured — considered good	141.96	251.22
— considered doubtful	<u>303.77</u>	<u>251.64</u>
	<u>445.73</u>	502.86
Less: Provision	<u>303.77</u>	<u>251.64</u>
	141.96	251.22
	<u>687.27</u>	<u>746.63</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

Note 15 SHORT TERM LOANS AND ADVANCES (Contd.)

ADDITIONAL INFORMATION

- a) Loans and Advances to related party consists of Rs.427.49 Lakhs (Previous Year Rs.427.49 Lakhs) in respect of loans due from and Rs.601.08 Lakhs (Previous Year Rs.592.33 Lakhs) in respect of Advance as on 31.3.2013 to Birds Jute & Exports Limited, a subsidiary of NJMC Ltd. An amount of Rs.176.07 Lakhs and an amount of Rs.601.08 Lakhs is considered doubtful of recovery against Loan due from and against Advance made respectively (Previous year Rs.176.07 Lakhs and Rs.592.33 Lakhs respectively) and has been fully provided for.
- b) Other Advances recoverable, include:
- i) An amount of Rs.11.33 Lakh in respect of Unit Khardah (Previous Year Rs.11.33 Lakh) which represents misappropriation of money in course of deposit/payment of railway freight in 1982-83. The matter is subjudice. However, full provision has been made in the accounts.
 - ii) An amount of Rs.24.00 Lakhs in respect of Unit National) (Previous Year Rs.24.00 Lakhs) paid to the Trustees of National Company Limited Jute Mill Workers' Provident Fund as interest free loan to cover the loss of interest to the fund caused by non receipt of Securities from the Brokers on the condition that the proceeds from the said securities to be obtained from the Brokers would be appropriated towards refund of the said loan. Since the proceeds have not yet been realised no adjustment was carried out and full provision has been made in the accounts.
 - iii) An amount of Rs.32.76 Lakhs (Previous Year Rs.32.76 Lakhs) and an amount of Rs.2.24 Lakhs (Previous Year Rs.2.24 Lakhs), being the balance of claim towards value of the stock of finished goods and the balance of claim towards the value of the fixed assets destroyed by fire on 31st August, 1986 respectively pertaining to Unit National. The insurance claim was finally settled by the National Insurance Company after disallowing the above balances. The Company referred the matter to the concerned Ministry, New Delhi for further referring the matter to the arbitrator, as required under the guidelines for settlement of disputes between two Public Sector Undertakings. The matter has not yet been resolved and full provision against the same has been made in the accounts.
 - iv) An amount of Rs.10.39 Lakhs advanced towards VRS Package to officers of the Company which is under reconciliation. Adjustment required, if any, will be carried out once the reconciliation process is completed.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 16 OTHER CURRENT ASSETS

	As at 31st March 2013	As at 31st March 2012
(Rs. in Lakh)		
a) Accruals		
Interest accrued on deposits	1178.83	1085.47
b) Others		
Other Current Assets	114.50	114.29
Less :- Provision	111.95	111.95
	<u>2.55</u>	<u>2.34</u>
	<u>1181.38</u>	<u>1087.81</u>

ADDITIONAL INFORMATION

Included in Others are:	As at 31st March 2013	As at 31st March 2012
Salvage Value Of Fire Damaged Machinery	0.80	0.80
Less : Provision	<u>0.80</u>	<u>0.80</u>
Machinery Scrap	10.19	10.19
Less : Provision	<u>10.19</u>	<u>10.19</u>
Cash Subsidy Receivable:		
Considered Good	—	—
Considered Doubtful	37.32	37.32
Sub Total :	<u>37.32</u>	<u>37.32</u>
Less : Provision	<u>37.32</u>	<u>37.32</u>
Recoverables From The COP(Jute)	53.86	53.86
Less: Provision	<u>53.86</u>	<u>53.86</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 17 REVENUE FROM OPERATIONS

	For the year ended 31st March 2013	For the year ended 31st March 2012
(Rs. in Lakh)		
Sale of Jute Products	4972.84	1575.88
	<u>4972.84</u>	<u>1575.88</u>

ADDITIONAL INFORMATION

Sale of products comprises B.Twill Bags.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 18 OTHER INCOME

	(Rs. in Lakh)			
	For the year ended 31st March 2013		For the year ended 31st March 2012	
a) Interest Income				
Interest from Banks on Fixed Deposit	1624.57		968.71	
(TDS Rs.1.07 Lakhs Previous year Rs.29.19 Lakhs)				
Interest income on Loan to a Subsidiary	47.69	1672.26	433.77	1402.48
b) Other Non-operating Income		94.42		239.76
		1766.68		1642.24

ADDITIONAL INFORMATION

A) Other Non-operating Income :

a) Rental income		0.01		0.03
b) Liabilities / provisions no longer required written back				
i) Marketing Fees	—		123.03	
ii) Doubtful Debts Recovered	40.07		3.87	
iii) Doubtful Loans & Advances Recovered	0.10		6.99	
iv) On Stores & Spares	—		16.01	
v) Cess on Finished Stock	2.90		0.00	
vi) On Officer's Gratuity	—		32.67	
vii) On Officer's Leave Encashment	—		15.75	
viii) Adjustment on Depreciation Against Govt. Grant	0.14		0.11	
ix) Govt. Authority (Excise)	—		1.08	
x) Others	39.71	82.92	30.76	230.27
c) Miscellaneous Income		11.49		9.46
		94.42		239.76

Loans, amounting to Rs.176.07 lakhs (PY - Rs.176.07 lakhs) and Advances, amounting to Rs.601.08 lakhs (PY- Rs.592.33 lakhs) due from related party Birds Jute and Exports Ltd., a subsidiary of NJMC Ltd., is considered doubtful of recovery(reference to Additional Information (a) in Note 15 on Short Term Loans and Advances).

Interest income on the said Loan, amounting to Rs.491.94 Lakhs, has not been considered under Other Income in the current year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 19 COST OF RAW MATERIALS CONSUMED

	(Rs. in Lakh)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Opening Stock	732.98	1510.26
Less :- Jute in Transit	41.23	—
	691.75	1510.26
Add :- Purchase	<u>2425.67</u>	<u>891.20</u>
	3117.42	2401.46
Less :- Closing Stock	<u>500.66</u>	<u>732.98</u>
Cost of Raw Materials Consumed	<u>2616.76</u>	<u>1668.48</u>

ADDITIONAL INFORMATION:-

i) Raw Materials consumed comprises :-

Raw Jute

ii) Indegenous	100%	100%
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NOTE 20 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS

	(Rs. in Lakh)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Inventories at the beginning of the year		
Finshed Goods	995.04	345.53
Work in Process	<u>210.99</u>	<u>60.97</u>
	1206.03	406.50
Inventories at the end of the year		
Finshed Goods	876.79	995.04
Work in Process	<u>178.23</u>	<u>210.99</u>
	<u>1055.02</u>	<u>1206.03</u>
Net (increase) / decrease	<u>151.01</u>	<u>(799.53)</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****NOTE 21 EMPLOYEE BENEFITS EXPENSES**

	(Rs. in Lakh)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Salaries	64.54	1212.08
V.R.S. Expenses	—	207.09
Contribution to Provident Fund	7.00	230.43
Gratuity	6.13	0.80
Welfare Expenses	64.80	87.78
TOTAL	142.47	1738.18

ADDITIONAL INFORMATION:-

a) VRS Expenses consists of:

Exgratia	—	166.05
Gratuity	—	22.32
Leave Salary	—	10.60
Leave Travel Assistance (LTA)	—	8.12
TOTAL	—	207.09

b) Pursuant to Court Order dated 27.08.2009 of Hon'ble Calcutta High Court in W.P. no. 1505 and 2394 of 1999 and subsequent recommendation of the Expert Committee constituted by MoT, as well as approval of Union Cabinet, VRS was offered to all the executives under a composite package on 1997 payscale and arrears @ 40% on revision of payscales (92/97). Total of 163 executives opted for VRS on cut-off date 31.10.2011. The amount of VRS expenses has been charged to Statement of Profit & Loss.

NOTE 22 FINANCE COSTS

	(Rs. in Lakh)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Interest expenses on Borrowings	29.56	29.56
TOTAL	29.56	29.56


NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013
NOTE 23 OTHER EXPENSES

	(Rs. in Lakh)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
a) Manufacturing Expenses		
Wages through Contractors	2041.38	736.57
Consumption of stores and spares (Indegenous - 100%)	310.71	187.44
Depletion of Value of stores and spares	—	9.02
Power and fuel	470.98	289.30
Branding charges	38.84	6.86
Repairs and maintenance - Buildings	907.58	1271.11
Repairs and maintenance - Machinery	213.26	348.04
Repairs and maintenance - Others	96.69	83.73
Cess on Finished Goods	5.66	4.36
	4085.10	2936.43
b) Administrative Expenses		
Rent	17.75	20.25
Rates and taxes	91.34	74.14
Insurance	28.62	23.22
Services Outsourced	372.51	320.67
Security Expenses	155.79	140.16
Professional Charges	140.76	72.87
Vehicle Maintenance	32.38	29.72
Travelling and conveyance	35.86	39.62
Communication	6.67	4.99
Printing and stationery	11.13	13.18
Electricity Charges	46.29	59.36
Data Processing & Service Charges	25.04	4.55
Hire Charges	10.22	14.36
Transit Camp Expenses	9.78	15.62
Legal Charges	44.25	38.90
Interest on Gratuity, I.T. & Others	13.13	31.33
Bank Charges	1.78	0.81
Liquidated Damages	42.34	40.07
Provision for doubtful trade and other receivables	61.19	428.63

Contd...

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013****Note 23 OTHER EXPENSES (Contd.)**

	(Rs. in Lakh)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Auditors' Remuneration :		
a) Statutory Audit Fees	1.35	1.35
b) Tax Audit Fees	0.45	0.45
Cost Audit Fees	1.47	0.66
Prior period items	64.12	9.48
Miscellaneous expenses	10.60	23.09
	<u>1224.82</u>	<u>1407.48</u>
c) Selling and Distribution Expenses		
Advertisement	11.95	10.22
Shipping and Delivery Charges	21.28	19.19
	<u>33.23</u>	<u>29.41</u>
TOTAL	<u>5343.15</u>	<u>4373.32</u>

ADDITIONAL INFORMATION

i) Prior Period items includes (Net)

	(Rs. in Lakh)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Prior Period Expenses	66.22	16.79
Less : Prior Period Income	2.10	7.31
	<u>64.12</u>	<u>9.48</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013**NOTE 24 EARNINGS PER SHARE**

	(Rs. in Lakh)	
	For the year ended 31st March 2013	For the year ended 31st March 2012
Profit / (Loss) after tax as per Statement of Profit and Loss (Rs. In Lakh)	(1600.25)	(3820.90)
Weighted average Number of equity share	557974	557974
Earnings per share (Rs.) - Basic	(286.80)	(684.78)
Earnings per share (Rs.) - Diluted	(286.80)	(684.78)



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

NOTE 25

1) These Financial Statements incorporate the Accounts pertaining to the Units of Corporate Office, Kinnison, RBHM, Khardah, National, Union and Alexandra.

2) Related Party Transactions

i) Details of Parties :

Description of Relationship	Name of Related Parties
Holding Company	National Jute Manufactures Corporation Limited
Subsidiary	Birds Jute & Exports Limited
Key Management Personnel	Sri Atri Bhattacharya, CMD (01/04/12 to 31/12/12) Sri Subrata Gupta, CMD w.e.f. 01/01/13 and Sri S.K. Mandal, Director (Fin)

Note :- Related parties have been identified by the Management

ii) Details of related party transactions during the year ended 31 March 2013 and balances outstanding as at 31 March 2012:

Particulars	CURRENT YEAR			PREVIOUS YEAR		
	Subsidiary	Key Managerial Personnel	Total	Subsidiary	Key Managerial Personnel	Total
	Rs/Lakh	Rs/Lakh	Rs/Lakh	Rs/Lakh	Rs/Lakh	Rs/Lakh
Advance /Interest free loan, in Cash or in kind.	5.27	—	5.27	5.27	—	5.27
Interest income during the year	47.69	—	47.69	433.77	—	433.77
Remuneration Paid	—	—	—	—	—	—
Adjustment Rent / Service charge payable	—	—	—	6.18	—	6.18
Debit Balance Outstanding	—	—	—	—	—	—
Sundry Debtors	190.65	—	190.65	190.65	—	190.65
Unsecured Loans	427.49	—	427.49	427.49	—	427.49
Interest Accrued	3154.88	—	3154.88	3107.19	—	3107.19
Advance	601.08	—	601.08	592.33	—	592.33
Credit balance outstanding	46.39	—	46.39	46.39	—	46.39
* Full Provision has been made against Debit Balance Outstanding.						

**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

3) Particulars	As at 31 st March 2013	As at 31 st March 2012
The following Stocks belonging to Processing Agent (Third Party) are lying at Units Kinnison and Khardah:		
Work in Process	281 M.T	281 M.T
Finished Goods	21 M.T	21 M.T

4) Particulars	As at 31 st March 2013	As at 31 st March 2012
Interest Accrued on House Building Loans to employees by SBI Home Finance Limited is credited to Staff Welfare Account.	Nil	Nil
Corresponding Debit is booked in Prior Period Adjustment Account.	Nil	0.64

5) Employee Benefits expenses include Director's Remuneration as below:-

(Rs. In Lakh)

Particulars	Current Year	Previous Year
Remuneration	34.84	5.07
Contribution to P F Fund	7.00	0.55
Gratuity	5.31	4.69

6) **Employee benefit plans**

i) Defined contribution plans:-

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs. 0.71 lacs (Year ended 31 March, 2013) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The company offers the Gratuity & Leave Encashment benefits plan to the employees:-

(a) Benefits in the current year have been accounted for on actual basis since the Company has only one employee on its pay roll.



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

(b) Benefits in respect of the previous year are given below:

Sl. No	Particulars	(Rs. In Lakh)			
		Year ended 31 st March 2013		Year ended 31 st March 2012	
		Gratuity	Leave Encash ment	Gratuity	Leave Encash ment
(i) Components of employer expenses					
Current Service cost	—	—	0.25	0.09	
Interest Cost	—	—	1.89	1.10	
Expected return on plan assets	—	—	—	—	
Curtailment cost / (credit)	—	—	—	—	
Settlement cost / (credit)	—	—	—	—	
Past service cost	—	—	—	—	
Actuarial losses / (gains)	—	—	(1.34)	(0.94)	
Total expenses recognized in the Statement of Profit and Loss	—	—	0.80	0.24	
(ii) Actual contribution and benefit payments for the year					
Actual benefit payments	—	—	37.25	21.91	
Actual Contribution	—	—	37.25	21.91	
	—	—			
(iii) Net asset/(liability) recognized in the Balance Sheet					
Present value of defined benefit obligation	—	—	5.41	2.91	
Fair value of plan assets	—	—	—	—	
Funded status [Surplus / (Deficit)]	—	—	(5.41)	(2.90)	
Unrecognized past service costs	—	—	—	—	
	—	—			
Net Assets/(liability) recognized in the Balance Sheet	—	—	(5.41)	(2.90)	
(iv) Change in defined benefit obligations (DBO) during the year					
Present value of DBO at beginning of the year	—	—	41.86	24.57	
Current service cost	—	—	0.24	0.09	
Interest cost	—	—	1.89	1.10	
Curtailment cost / (credit)	—	—	—	—	
Settlement cost / (credit)	—	—	—	—	
Plan amendments	—	—	—	—	
Acquisitions	—	—	—	—	
Actuarial (gains) / losses	—	—	(1.34)	(0.94)	
Past service cost	—	—	—	—	
Benefits paid	—	—	(37.25)	(21.91)	
Present value of DBO at the end of the year	—	—	5.41	2.90	



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Sl. No	Particulars	(Rs. In Lakh)			
		Year ended 31 st March 2013		Year ended 31 st March 2012	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
(v)	Change in fair value of assets during the year	—	—	—	—
	Plan assets at beginning of the year	—	—	—	—
	Acquisition adjustment	—	—	—	—
	Expected return on plan assets	—	—	—	—
	Actual company contributions	—	—	37.25	21.91
	Actuarial gain / (loss)	—	—	—	—
	Benefits paid	—	—	(37.25)	(21.91)
	Plan assets at the end of the year	—	—	—	—
	Actual return on plan assets	—	—	—	—
(vi)	Composition of plan assets is as follows				
	Government bonds	—	—	—	—
	PSU bonds	—	—	—	—
	Equity mutual funds	—	—	—	—
	Others	—	—	—	—
(vii)	Actuarial assumptions				
	Discount rate	—	—	8.00%	8.00%
	Expected return on plan assets	—	—	—	—
	Salary escalation	—	—	5.00%	5.00%
	Attrition	—	—	—	—
	Medical cost inflation	—	—	—	—
	Mortality tables	—	—	13.00%	—
	Performance percentage considered	—	—	—	—
	Estimate of amount of contribution in the immediate next year	—	—	—	—

(viii) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

7) Expenditure in Foreign Currency

Particulars	(Rs. In Lakh)	
	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Other Matters – Travelling	—	1.23



NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

- 8) The Company's operations pertain to manufacture and selling of Jute Products in the Domestic Market only. This is the Single Segment as envisaged in Accounting Standard 17 under Section 211(3)(C) of the Companies Act, 1956.
- 9) In view of the continuous losses incurred by the Company since its inception, Deferred Tax Assets have not been recognized as there is no reasonable certainty that sufficient future taxable income would be available against which such Deferred Tax Assets can be adjusted. No provision for Tax for the year has been made due to accumulated losses of the Company.
- 10) Since the Written Down Value of 80% of the Fixed Assets of the Company has become negligible the requirements of Accounting Standard 28 under section 211(3)(C) of the Companies Act, 1956 was not complied with.
- 11) **Contingent liabilities and commitments not provided for**

SL	Particulars	As at 31 st March 2013	As at 31 st March 2012
A)	Contingent Liabilities		
i)	Claims against the Company not acknowledged as debt towards Central Excise Unit Kinnison	21.35	21.35
ii)	Guarantees extended by the Corporation to SBI Home Finance Ltd. for granting House Building Advance to the employees of this Corporation	0.97	0.97
iv)	Guarantee issued to Sales Tax Authority by the banks on behalf of the Company	0.50	0.50
B)	Commitments		
	Estimated Amount of contracts remaining to be executed on Capital Account and not provided for	3.39	0
		26.21	22.82

- 12) Figures of the previous year have been regrouped / rearranged in conformity with those of the current year.



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES
ACT, 1956 RELATING TO SUBSIDIARY COMPANY**

1. Name of the Subsidiary	Birds Jute & Exports Limited	
2. Financial year of the Subsidiary Company ended on	31 st March 2013	
3. Date from which it became a Subsidiary	November 1986	
4. Holding Company's Interest		
i) No of Shares :	14425	143
	Equity Share	7% Cumulative Preference Shares
ii) Percentage of Holding	58.92%	0.95%
	TOTAL – 59.87 %	
5. Net aggregate amount of the Subsidiary's losses not dealt with in the Holding Company's Accounts		
i) For the Current Financial Year	Rs. 865.57 Lakh	
ii) For the Previous Financial Year	Rs. 1109.00 Lakh	
6. Net aggregate amount of the Subsidiary which has been dealt with in the accounts of the Holding Company.		
i) For the Current Financial Year	NIL	
ii) For the Previous Financial Year	NIL	
7. Change in the interest of Holding Company between the end of Subsidiary's Financial year and 31 st March 2013	The Subsidiary's Financial Year is same as that of the Company	
8. Material Changes between the end of Subsidiary's Financial Year and 31 st March 2013 in :	The Subsidiary's Financial Year is same as that of the Company	
i) Fixed Asset		
ii) Investment		
iii) Moneys lent by the Subsidiary		
iv) Moneys borrowed by the Subsidiary other than for meeting Current Liabilities		

For and on behalf of the Board of Directors

YOGESH KUMAR GARG
Director (Finance)

SUBRATA GUPTA
Chairman-cum-Managing Director

Place :

Date :



**Management's Comments on the Statutory Auditors observations
for the year ended on 31.03.2013**

PARA	STATUTORY AUDITOR'S OBSERVATIONS	MANAGEMENT'S REPLY
V(a)	The adequacy of provision made in the accounts in the absence of confirmation of balances in respect of Advances included under "Others" as appearing in Note 15 relating to Short Term Loans and Advances.	Pending balance confirmation, appropriate provisions have been made which in our opinion are doubtful of recovery.
V(b)	Any impairment loss on Fixed Assets, that may arise, on the carrying amount not being determined by the Company in accordance with Accounting Standard 28 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 as disclosed in Item No. 10 in Note 25.	Steps are being taken for determination of impairment loss on Fixed Assets in accordance with accounting standard 28 referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
V(c)	Any materials discrepancy that may arise in respect of fixed assets of the Company as mentioned in Para 1 (b) in the Annexure to our Report	Physical verification of Fixed Assets, valuation and updating of Fixed Assets register are in progress.