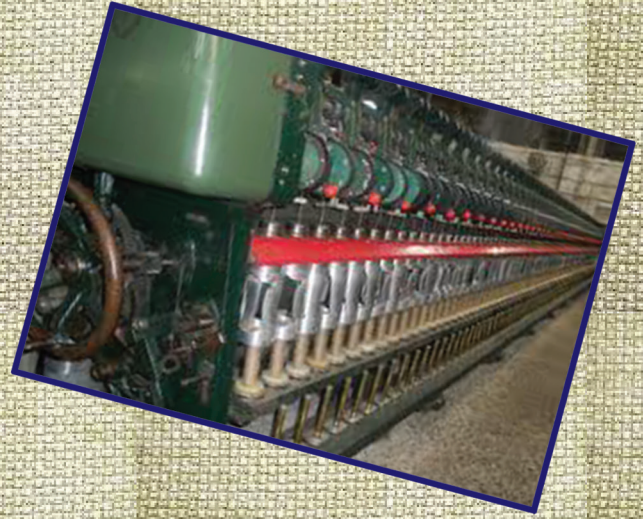




राष्ट्रीय जूट विनिर्माण निगम लिमिटेड
(भारत सरकार का एक उपक्रम)

NATIONAL JUTE MANUFACTURES CORPORATION LTD.
(A GOVERNMENT OF INDIA UNDERTAKING)

CIN: U17232WB1980GOI032768



३९ वाँ वार्षिक प्रतिवेदन
२०१८-१९

39TH ANNUAL REPORT
2018-2019



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

(A Government of India Undertaking)

CIN: U17232WB1980GOI032768

39th ANNUAL REPORT 2018-19

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NOTICE OF 39TH ANNUAL GENERAL MEETING

Notice is hereby given that the 39th Annual General Meeting of National Jute Manufactures Corporation Ltd. will be held on Wednesday, the 18th day of December, 2019 at 11:30 a.m at the Office of Ministry of Textiles, Udyog Bhawan, New Delhi-110011 to transact the following business :

Ordinary Business :

- 1) To consider and adopt the audited Balance Sheet as at 31st March, 2019 and Profit & Loss Account for the year ended 31st March, 2019 together with the Reports of Auditors and Directors and comments of Comptroller and Auditor General of India(CAG) thereon.
- 2) To take note of the appointment of Statutory Auditors and to fix their remuneration.

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

“**Resolved that** pursuant to the provisions of Section 139 of the Companies Act, 2013(“The Act”) M/s R.K.Patodi & Co., Chartered Accountants has been appointed as the Statutory Auditors of the Corporation for the year 2019-20 as per directives of the Comptroller & Auditor General of India at a remuneration of Rs. 1,37,000/- (excluding out of pocket expenses and GST)pursuant to the provisions of the Companies Act, 2013 read with the related rules thereon.”

By Order of the Board

Malini Mahapatra
Company Secretary

Registered Office :

Chartered Bank Building,
2nd Floor, 4, N.S. Road,
Kolkata-700 001
Phone: 033-2230 6434, Fax:91-33-2230 5103
E-mail: njmcltd@gmail.com
Web: www.njmc.org.in

Place: Kolkata

Dated, 16th December, 2019

Note:

- 1) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member.
- 2) Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



BOARD OF DIRECTORS
FROM 01.04.2018 - 31.12.2019

- Chairman-cum-Managing Director** : Shri Moloy Chandan Chakrabortty (From 29.11.2019)
Shri Sanjay Rastogi (From 9.11.2018 - 8.11.2019)
Dr K.V.R. Murthy (From 06.03.2017 - 9.11.2018)
- Directors** : Shri Sanjay Sharan (From 14.02.2019)
Shri Vijoy Kumar Singh (From 23.07.2019)
Dr Subhash Chandra Pandey (From 08.03.2018 - 23.07.2019)
Shri A. Madhukumar Reddy (From 03.03.2015 - 14.02.2019)
- Company Secretary** : Ms. Malini Mahapatra (From 28.08.2019)
Ms. Esha Sen (From 15.02.2018 - 14.02.2019)

PRESENT COMPOSITION OF AUDIT COMMITTEE

- Shri Vijoy Kumar Singh : Chairman
Shri Moloy Chandan Chakrabortty : Member
Shri Sanjay Sharan : Member
- Statutory Auditors** : M/s Gupta & Co
Chartered Accountants
30B, Suhasini Ganguly Sarani,
(Suburban School Road)
First Floor, Bhowanipore,
Kolkata-700 025
- Bankers** : Allahabad Bank
UCO Bank
Central Bank of India
State Bank
IDBI Bank
Union Bank

NATIONAL JUTE MANUFACTURES CORPORATION LTD.



- Registered Office** : Chartered Bank Building, 2nd floor,
4, Netaji Subhash Road
Kolkata-700001
- Mill Units** : Alexandra, P.O. Jagatdal,
Dist. North 24-Parganas,
Pin - 743 125, West Bengal
- : Khardah, P.O. Titagarh
Dist. North 24-Parganas,
Pin - 700 019, West Bengal
- : Kinnison, P.O. Titagarh
Dist. North 24-Parganas,
Pin - 700 019, West Bengal
- : National
Vill-Rajgunj, Sankrail, Dist. Howrah, P.O. Banipur
Pin - 711 304, West Bengal
- : Union
Convent Lane,
Kolkata-700015
- : RBHM
Katihar, Post & Dist - Katihar,
Pin - 854 105, Bihar
- Subsidiary Company** : Birds Jute & Exports Limited
Regd. Office: Chartered Bank Building, 1st Floor,
4, Netaji Subhash Road,
Kolkata-700001
- : Mill Unit
200, Dakshindari Road, (Near V.I.P. Road)
Kolkata-700048
(since 1986)



DIRECTORS' REPORT

To
The Shareholders,

Gentlemen,

Your Directors have pleasure in presenting the 39th Annual Report on the business and operation of your Company together with the audited accounts for the year ended March 31, 2019.

1. Financial Performance

The performance for the financial years 2018-19 and 2017-18 are summarized below:

STANDALONE

Sl. No.	PARTICULARS	2018-19	2017-18
I	Production (in M. Ton)	NIL	NIL
		₹ in Cr.	₹ in Cr.
II.	Revenue from Operations	-	-
III	Other Income	13.75	18.23
IV.	Net Profit / (Loss) for the year	1.45	9.19
V.	Cash profit / (Loss)	2.16	9.84
VI.	Accumulated Profit / (Loss)	(282.20)	(283.66)
VII.	Net Worth	(221.97)	(223.43)

The company has earned a net profit of Rs. 1.45 Crores after taking into consideration non-operational income of Rs. 13.75 Crores in comparison to net profit of Rs. 9.19 Crores in previous financial year.

Present Status of the Company

During the financial year 2018-19 the Union Cabinet has approved the closure of the Corporation on 10th October, 2018 and a letter in this regard was forwarded to us vide letter File No.11/18/2014-Jute (Vol III) dated 31st October, 2018. Further it was also mentioned to follow the closure procedure as per DPE guidelines dated 14.06.2018.

In accordance with the same, your corporation is complying with the guidelines and the status report on closure is regularly updated to the Ministry of Textiles.

2. Profit & Loss Analysis

During the financial year under review the company has earned profit of Rs. 1.45 crores as against 9.19 crores in the previous year.

3. Subsidiary Company - BJEL

The company has one subsidiary, namely Birds Jute and Export Limited (BJEL). During the financial year 2018-19 the Union Cabinet has approved the closure of the organisation on 10th October, 2018. The accounts of the subsidiary company for the financial year ended 31st March 2019 was finalized but since C&AG audit process is not completed and A.G.M is yet to be held, the accounts have not been merged with the Company's financial statements as on 31st March, 2019. However, we have received a copy of signed accounts and it is observed that the net worth of the Company is negative and stands at (Rs. 7777.36 lacs) and of which 59% is to be taken into account by NJMC Ltd.



4. Memorandum of Understanding (MOU)

Due to the proposed closure of your Company, Ministry of Textiles has exempted your Corporation from signing MOU from 2016-17 and onwards.

5. Corporate Governance

5.1 Company Philosophy

The Company'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.

5.2 Board of Directors and details of Meetings attended during the year as on 31.03.2019.

Pursuant to the Articles of Association, all the Directors are appointed by the Government of India. The current composition of the Board and meetings attended during the year are as follows:

Name of Director	Designation	Particulars of Board Meetings held during the year (1st April, 2018-31st March, 2019)				Whether AGM Attended
		29 th June, 2018	6 th July, 2018	7 th December, 2018	13 th March, 2019	7 th December, 2018
Shri Sanjay Rastogi (Appointed w.e.f. 9.11.2018)	Chairman cum Managing Director (Additional Charge)	NA	NA	Yes	Yes	Yes
Shri Sanjay Sharan (Appointed w.e.f. 14.02.2019)	Govt. Nominee Director	NA	NA	NA	No	NA
Dr. S.C. Pandey (Appointed w.e.f. 08.03.2018)	Govt. Nominee Director	Yes	Yes	Yes	Yes	Yes

Note:

- ❖ **Shri Sanjay Rastogi, was appointed as the Chairman cum Managing Director after the cessation of Dr. K.V.R. Murthy, CMD w.e.f. 9.11.2018.**
- ❖ **Shri A. Madhukumar Reddy ceased to be Nominee Director w.e.f. 14.02.2019 and in his place Shri Sanjay Sharan was appointed as the Nominee Director.**
- ❖ **Shri Vijoy Kumar Singh, AS &FA has been appointed as the Govt. nominee Director in place of Dr. S.C.Pandey w.e.f. 23.07.2019.**

5.3 Audit Committee

The Audit Committee of your Corporation was constituted in accordance with the provisions of Section 292A of the Companies Act, 1956 and regulations incidental/ancillary thereto to follow a good corporate practice keeping in view its basic requirement. The Audit Committee comprises of three members and the quorum of the Audit Committee is two members. The present members of the Audit Committee comprises of .:



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Sl. No.	Name of Director
1.	Dr. S.C.Pandey, Non-Executive Director-Chairman
2.	Mr. Sanjay Sharan, Non-Executive Director- Member
3.	Mr. Sanjay Rastogi, Chairman cum Managing Director-Member

❖ **The Audit Committee has been further reconstituted with the inclusion of Shri Vijoy Kumar Singh, AS & FA as the Chairman of the Committee in place of Dr. S.C.Pandey and the Committee held its 41st Audit Committee meeting on 16.09.2019.**

❖ **The Company Secretary shall act as the Secretary to the Committee.**

A brief description of the terms of reference of the Audit Committee are:

- Examination of the financial statement and auditor's report thereon.
- The recommendation for remuneration of auditors of the Company.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial control and risk management system.
- Monitoring the end use of funds raised through public offers and related matters, if any.

During the year under review, no Audit Committee meetings were held. However, the Committee was reconstituted with newly inducted members and the 41st Audit Committee Meeting was held on 16th September, 2019.

5.4 General Body Meetings:

		2015-16 36th AGM	2016-17 37th AGM	2017-18 38th AGM
01	Date	28.09.2016	04.12.2017	07.12.2018
02	Time	11:00 A.M.	11:00 A.M.	1:00 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	Ministry of Textiles, Udyog Bhawan, New Delhi-110011

5.5 Disclosures

- Disclosures required under the Companies Act, Accounting Standard practice and other Applicable Acts/Rules.
- Employees are free to report of violation of Rules/Regulations to their Supervisors/CVO/CMD.
- The requirement as specified in the applicable guidelines have been complied with as far as possible/ applicable to it.
- Presidential Directives issued by the Central Government have been complied with.
- No expenditure which is not for the purpose of business booked in the Books of Account.
- No expenditure which is personal in nature has been incurred.



5.6 Other Information

i) Board / Audit Committee Meeting and procedure

The information usually placed before the Board includes

- a) Confirmation of the Minutes.
 - b) Follow up action on decisions taken in the Board.
 - c) Updated status report on various issues.
 - d) Legal Matters.
 - e) Annual Accounts.
 - f) Auditors report including Concurrent Auditors report.
- 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 within a stipulated time. Similarly the draft minutes of the meeting are circulated to the Directors/Members for their consideration and approval.
- iii) Post Meeting Follow up Mechanism: Follow up Reports on decisions recorded in the Draft 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 Company Secretary. The Minutes are subsequently confirmed in the following Meeting of the Board/Committee and entered in the Minutes Book accordingly.

5.7 Code of Business Conduct

The Company is committed to conduct its business in accordance with the highest standards of business ethics and comply with all applicable laws, rules and regulations.

6. Dividend

As your Corporation is in the process of closure in pursuance of a decision of the parliament, your Directors do not recommend any amount as dividend during the year 2018-19.

7. Transfer to Reserves:

During the year under review, the Board of Directors do not recommend to transfer any amount to the reserves.

8. Vigilance

Vigilance Awareness Programme was observed from 29.10.2018 to 03.11.2018. During the said period, pledge was taken by all the employees of the Corporation to bring transparency in all spheres of activities for the eradication of corruption.

During the year under review, Shri Anindya Mazumdar, COO, NJMC Ltd had taken the charge of Chief Vigilance Officer(CVO) on temporary basis till 31.05.2018. Thereafter Shri Iman Ali Mandal, COO NJMC Ltd. was handed over the charge of Part time Chief Vigilance Officer(CVO) w.e.f. 05.10.2018 and continuing since then.

9. Promotion of Official Language

The Corporation has been making continuous efforts to implement the directives of Official Language Policy of Govt. of India during the year under review.



10. Directors' Responsibility Statement

As required by Section 134(3)(c) of the Companies Act, 2013 your Directors state that:

- i) In the preparation of the annual accounts for the year ended 31st March 2019, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2019 and of the profit and loss of the Company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The Directors have prepared the annual accounts for the year 2018-19 on a going concern basis.
- v) The Company being unlisted, sub clause (e) of Section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls are not applicable.
- vi) They have devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems are adequate and operating effectively.

11. Board of Directors and Key Managerial Personnel

● Board of Directors

Shri Sanjay Rastogi, was appointed as the Chairman cum Managing Director after the cessation of Dr. K.V.R. Murthy, CMD w.e.f. 9.11.2018.

Shri A. Madhukumar Reddy ceased to be Nominee Director w.e.f 14.02.2019 and in his place Shri Sanjay Sharan was appointed as the Nominee Director.

Shri Vijoy Kumar Singh, AS &FA has been appointed as the Govt. nominee Director in place of Dr. S.C.Pandey w.e.f. 23.07.2019.

Shri Moloy Chandan Chakraborty, Jute Commissioner has assumed the charge of Chairman cum Managing Director (Additional charge) with effect from 29.11.2019.

● Key Managerial Personnel

Ms. Esha Sen was appointed as the Company Secretary of the Corporation w.e.f. 15.02.2018 and resigned w.e.f 14.02.2019. Thereafter Ms. Malini Mahapatra has been appointed as the Company Secretary of the Corporation w.e.f. 16th September, 2019.

12. Related Party Transactions

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company.

The Company has not entered into any transaction with the Related Parties in contravention of Section 188 of the Companies Act, 2013.

13. RTI Act, 2005

Your Corporation implemented the Right to Information Act, 2005 with the appointment of a Central Public Information Officer at the Registered Office. The information sought for is provided within stipulated time.

14. Corporate Social Responsibility

During the year under review Cabinet approval has been received on 10.10.2018 for closure of the Corporation,



hence CSR provisions under section 135 of the Companies Act, 2013 and related rules are not applicable to your Corporation.

15. Deposits

During the period under review, your Corporation has neither accepted nor renewed any deposits.

16. Disclosure Under Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

During the year under review, there were no cases filed pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

17. Orders Passed By Regulators/Courts/Tribunals

There is no such order passed by the Regulators/Courts/Tribunals in respect to the Company during the financial year.

18. Material Changes & Commitments

Government of India has approved the closure of the Corporation dated 10.10.2018 to that extent it affects the Corporation.

19. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

As required to be disclosed under the Companies Act, details relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure-I attached hereto and forms part of this Report.

20. Extract of Annual Return

The details forming part of the Extract of Annual Return in form MGT-9 as required under Section 92 of the Companies Act 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as Annexure II and forms part of this report.

21. Reservation for Scheduled Castes, Scheduled Tribes and other Backward Communities

Govt. Of India has approved the closure of the Corporation on 10.10.2018. At present no permanent employee exists in the roll of the company, thus the above is not applicable.

22. Human Resource Policy and Industrial Relations

In view of ongoing closure of the Corporation, NJMC Ltd. was suggested to operate the business with Contractual manpower, accordingly manpower are engaged on contractual basis. The recruited manpower are selected through agencies/ service providers and in conformity with the PSU selection process of open advertisement to get the best pool of manpower.

23. Statutory Auditors

M/s. Gupta & Co, Chartered Accountants, Kolkata has been appointed as the Statutory Auditors by the Comptroller And Auditor General Of India for the financial year 2018-19 pursuant to the provisions of Section 139 of the Companies Act, 2013 and applicable rules thereunder as amended from time to time.

Your Corporation is not required to conduct Cost Audit pursuant to Section 148 of the Companies Act, 2013 in view of the ongoing closure of the Corporation and the Company has stopped all its production.

24. Audit Observations and Comments

During the year under review, the observations made by the statutory auditors are self explanatory and do not call for further comments under section 134(3)(f) of the Companies Act, 2013.



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

25. Internal Control Systems and their Adequacy

The Corporation has an internal control system in place which is reviewed periodically. As a measure of internal control, the management has in place Internal Audit which is conducted by a team of Chartered Accountants every year.

26. Review of Accounts by Comptroller & Auditor General of India

The Comptroller and Auditor General of India, has reviewed the accounts of your company and their comments has been placed in Annexure 'III'.

27. 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 Enterprise for their support and guidance to the company from time to time. They are also thankful for the co-operation received from the Government of West Bengal and Bihar. The Directors also place on record the continued association and support received from Company's Bankers, Comptroller & Auditor General, Statutory Auditors and all its employees.

For and on behalf of the Board of Directors

(Moloy Chandan Chakraborty)
Chairman-cum-Managing Director
DIN - 08641793

Place :- New Delhi
Date: 18.12.2019



Annexure - I

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo.

A. Conservation of energy:

As the Corporation has received the Union Cabinet approval for the closure dated 10th October, 2018 the conservation of energy clause has lost its relevancy with the discontinue of operation and closure of all mills.

B. Technology Absorption

As the Corporation has received the Union Cabinet approval for the closure dated 10th October, 2018 the technology absorption clause has lost its relevancy with the discontinue of operation and closure of all mills.

C. Foreign exchange Earnings and outgo

There was no foreign exchange earnings or outgo during the year under review.

For and on behalf of the Board of Directors

(Moloy Chandan Chakrabortty)
Chairman-cum-Managing Director
DIN - 08641793

Place :- New Delhi
Date: 18.12.2019



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Annexure-II

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31.03.2019

[Pursuant to Section 92(3) of the companies Act 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U17232WB1980GOI032768
ii)	Date of Registration	03.06.1980
iii)	Name of the company	NATIONAL JUTE MANUFACTURES CORPORATION LIMITED
iv)	Category/sub. Category of the company	COMPANY LIMITED BY SHARES/ UNION GOVERNMENT COMPANY
v)	Address of the Registered office and contact details	CHARTERED BANK BUILDINGS, 4, N. S. ROAD, 2 ND FLOOR, KOLKATA-700 001. TELEPHONE: 033 22306434
vi)	Whether listed	NO
vii)	Name Address and contact Details of Registrar an Transfer Agent, of any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the Turnover shall be stated

All the six mills of the Company are not in operation which has resulted in nil production during the year 2018-19.

Sl No.	Name and Description of the main products/services	NIC Code of the Product/ Service	% of total turnover of the Company
1	N.A.	N.A.	N.A.

III . PARTICULARS OF HOLDING, SUBSIDIARY, ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	BIRDS JUTE & EXPORTS LIMITED	U17232 WB1904 GOI001579	Subsidiary Company	59%	2(87)



IV. SHARE HOLDING PATTERN

(EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	557974	557974	100	Nil	557974	557974	100	Nil	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A)(1)	Nil	557974	557974	100	Nil	557974	557974	100	Nil	Nil
(2) Foreign										
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A) (2)	Nil	557974	557974	100	Nil	557974	557974	100	Nil	Nil
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp, India	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B) = (B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	557974	557974	100	Nil	557974	557974	100	Nil

(ii) Shareholding of Promoters

Sl No.	Shareholders Name	Shareholding at the beginning of the year			No of Shares held at the end of the year			% change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	President of India	557974	100	Nil	557974	100	Nil	Nil
	Total	557974	100	Nil	557974	100	Nil	Nil

❖ The Company is a wholly owned Govt. Company, out of the total shareholding of 557972 equity shares are held by the Nominee of Hon'ble President of India and rest 2 no. of shares are held by nominated officials of Ministry of Textiles, Govt. of India.



(iii) Change in Promoters' Shareholding (Please specify, if there is no change)-No Change

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
	At the beginning of the year	557974	100	557974	100
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year	557974	100	557974	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
1.	President of India				
	At the beginning of the year	557974	100	557974	100
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)	557974	100	557974	100

(v) Shareholding of Directors and Key Managerial Personnel:

	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rupees in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year - - - -				
i) Principal Amount	-	418.52	-	-
ii) Interest due but not paid	-	11.67	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	430.19	-	430.19
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	-	-	-
Reduction	-	200.00	-	-
Net Change	-	230.19	-	230.19
Indebtedness at the end of the financial year:				
i) Principal Amount	-	218.52	-	-
ii) Interest due but not paid	-	11.99	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	230.51	-	230.51

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Corporation being a Central Public Sector Enterprise (Government Company), the appointment of Directors are made by the Govt. of India. Remuneration to the functional directors are made as per terms of their appointment by Govt. of India.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishments / compounding of offences for breach of any section of the Companies Act, 2013 against the Company, its Directors or other officers in default, during the financial year ended March 31, 2019.

For and on behalf of the Board of Directors

(Moloy Chandan Chakraborty)
Chairman-cum-Managing Director
DIN - 08641793

Place :- New Delhi
Date: 18.12.2019



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NATIONAL JUTE MANUFACTURES CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of National Jute Manufactures Corporation Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 September 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of National Jute Manufactures Corporation Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. 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.

On the basis of 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 143(6)(b) of the Act.

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

Place: Kolkata
Date: 26 Nov 2019

(Suparna Deb)
Director General of Commercial Audit
& Ex-Officio Member, Audit Board -I,
Kolkata



INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF NATIONAL JUTE MANUFACTURES CORPORATION LIMITED

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of National Jute Manufactures Corporation Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the Basis for Qualified Opinion section of our report, the aforesaid Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2019, its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

A) Going concern assumption:

The accounts have been drawn up on a going concern basis which is not appropriate under the circumstances because of the following reasons:

- a) The Union Cabinet has approved the closure of National Jute Manufactures Corporation Limited (NJMC) and its subsidiary Birds Jute and Exports Limited (BJEL) at its meeting held on 10th October, 2018. Disposal of all assets will be in accordance with the guidelines of DPE dated 14.6.2018 and the proceeds from the sale of assets, after meeting the liabilities will be deposited in Consolidated Fund of India. Also NBCC (India) Limited has been appointed as Land Management Agency (LMA). The LMA will carry out thorough verification of assets before undertaking disposal in accordance with the DPE guidelines. The Board of Directors of NJMC Limited at its 177th Meeting nominated M/S MSTC as auctioning agency of all movable assets including Building.
- b) In terms with the closure notification, the company has refunded Rs 200 crores towards Interest Free Loan to the Government of India. The income of the Company in previous years was primarily from the Interest income on Fixed Deposits which have significantly reduced.
- c) The financial statements indicate that the Company's current and non-current liabilities exceeded its total assets by Rs.22197.50 lakhs. The mills were not in operation throughout the year and the projected revival scheme could not be achieved, and there has been constant reduction in the strength of staff.

These factors confirm the inability of the company to continue as a going concern and the company will be unable to realise its assets and discharge its liabilities in the normal course of business.



B) Non compliance with accounting standards:

B.1 Accounting Standard -2 Valuation of Inventories

As stated in Accounting Policy 1.4, Inventories are valued at lower of cost and net realizable value or market price. Most of the inventories are carried forward since long and there is no movement of inventory during the current financial year. The relevant cost details were not made available to us and hence it is not possible to ascertain whether AS 2 has been complied with. Moreover, agewise analysis of inventory as well as identification of obsolete, non moving and non marketable inventories have not been done. The net Realisable value of the inventories has not been determined. Hence it is not possible to determine whether the carrying value of inventory represent the fair value.

B2. Accounting Standard 9 - Revenue Recognition

The Company has recognized interest income of Rs 92.79 lakhs from loan to the subsidiary and at the same time provision has been made in the accounts of the same amount. The subsidiary company has defaulted in making payment of Loan amount and interest since long. Moreover, the Union Cabinet has approved the closure of Birds Jute & Exports Ltd on 10th October, 2018. Since there is significant uncertainty for the ultimate collection, in our opinion, it should not have been recognized as revenue as per (AS) 9 ‘Revenue Recognition’.

B3. Accounting Standard 21 -Consolidated Financial Statements

The Company has a subsidiary company viz. Birds Jute and Exports Ltd. The Company has not prepared and presented consolidated financial statements as required by (AS) 21, ‘Consolidated Financial Statements’.

B4. Accounting Standard 22- Accounting for Taxes on Income

The Company has not complied with AS- 22 Accounting for Taxes on Income. Ascertainment of Deferred Tax Asset & Liability and its recognition in terms with the said Standard has not been done in the Financial Statements.

B5. Accounting Standard 24- Discontinuing Operations’.

The Union Cabinet has approved the closure of the company on 10th October, 2018. Earlier, the BIFR had directed the Company to sale/dispose off the assets of the Company including the land of three closed mills. Moreover, operations have also stopped at the three revival mills from the financial year 2016-17. However, no disclosures have been made by the Board of Directors about the formal plan for discontinuance in the notes to the financial statements as required by (AS) 24, ‘Discontinuing Operations’.

B6. Accounting Standard 28- Impairment of Assets.

No accounting policy has been stated with regard to Impairment of Assets. The mills of the Company were not in operation during the year. As stated in Note 28(8), the Company has not determined impairment loss in accordance with (AS) 28, and therefore has not been recognized in the statement of profit and loss.

B7. Accounting Standard 29- ‘Provisions, Contingent Liabilities and Contingent Assets’.

According to the information and explanations given to us, the Company is in litigation with various parties on diverse matters and these litigation cases are pending for a long time. However, the Company has not



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disclosed the possibility of any outflows in settlement for each class of contingent liability at the balance sheet date along with a brief description of the nature of the obligation as required by (AS)29. 'Provisions, Contingent Liabilities and Contingent Assets'.

C) Under /Over statement of Income / Expenses and Assets / Liabilities:

C.1 Fixed Assets & Depreciation

a) As stated in Note 1.2.2, the Company has reassessed the useful life of its existing fixed assets in accordance with Schedule II of the Companies Act, 2013, and new rates of depreciation on written down value method has been arrived at to depreciate the assets over the remaining useful life. However, the necessary details including readjustments of rate of depreciation were not made available to us and therefore we are unable to comment whether the Companies Act have been complied with and the depreciation charged in the accounts is adequate.

b) As stated in Note 10(2), fixed assets include certain machines pertaining to the Company which were lying with a third party on the date of Nationalisation. The details of such machineries are not known since a long time and no provision for the book values of such machineries have been made in these accounts.

c) As disclosed in Note 10(4), land and building includes property at 5 Alipore Road, Kolkata, though vested in the Company under the Jute Companies (Nationalization) Act, 1980 is not in the possession of the Company. As disclosed by the Company, the matter is subjudice, and divergent views of legal experts as well as the Ministry of Law & Justice are available regarding the ownership of the property. However, it is noted that the Company has provided Rs 193.27 lakhs for Municipal Taxes during financial years 2017-18 and 2018-19 for this property on the basis of a demand received from Kolkata Municipal Corporation.

d) The plant & machinery of 5 (five) mills of the company except Union Mill were physically verified and valued by a Government of India undertaking (Ferro Scrap Nigam Limited) during 2017-18. As per their report, the Plant & Machinery at units National & Alexandra were highly rusted damaged and un-serviced condition and the possibilities of further usage / reconditioning is negligible. For the units Khardah & RBHM Katihar, the Plant & Machinery were badly rusted damaged and un-serviced condition and the possibilities of further usage / reconditioning is moderate. The plant & machinery at Kinnison unit was moderately rusted and un-serviced condition and the possibilities of further usage / reconditioning is fair. As per this report, the total realizable value of Plant & Machinery of 5 units is Rs 2942.16 lacs and Distress Sale Value is Rs 2422.96 lakhs. This valuation is much higher than the Net Block of Plant & Machinery as per accounts which are Rs 202.14 lakhs. However, no reconciliation in respect of assets physically verified with Fixed Assets register was available.

e) During 2018-19, NJMC Limited, on its own, engaged a government registered Chartered Valuation Surveyor, Associate Valuers, through tendering process to conduct the physical survey and inspection of the land belonging to six mills of NJMC viz Khardah, Kinnison, Alexandra, National and Union in West Bengal and RBHM in Katihar, Bihar. Valuation was also done for Bungalow at 5A, Alipore Road and guest house in Kalimpong.

This valuation is much higher than the value of Land as per accounts which are Rs 605.59 lakhs. As already pointed out in our report in para A above, NBCC (India) Limited has been appointed as Land Management Agency (LMA). The LMA will carry out thorough verification of assets before undertaking disposal in accordance with the DPE guidelines.



Summary of the valuation report is as under:

Name of Jute Mill	Land Area	Market Value of Non encroached Land (Rs Lakhs)	Market Value of encroached Land (Rs Lakhs)	Total (Rs. In Lakh)
Alexandra Jute Mill	52.68	13570.52	6860.89	20431.41
Khardah Jute Mill	86.60	19029.12	14225.28	33254.40
Kinnison Jute Mill	53.595	18961.63	2116.61	21078.24
National Jute Mill	65.043	3521.73	1161.36	4683.09
Union Jute Mill	14.451	31598.10	7419.60	39017.70
RBHM Jute Mill	53.52	54297.20	30872.00	85169.20
Bungalow at Alipore	0.147	-	2439.45	2439.45
Guest House at Kalimpong	1.53	826.20	-	826.20
Total Value of Land		141804.5	65095.19	206899.69

f) The title deeds of immovable properties were not made available to us for our verification. However, according to information and explanation given to us, the landed property of the three mills viz Khardah, Kinnison and Alexandra is continued to be shown in the name of erstwhile companies. For updating the land records representation has been made to the Additional District Magistrate & District Land & Land Reforms Officer- North 24 Paraganas, Barasat. As on 31st March, 2019 the updation is pending.

C.2 Inventories

As earlier stated in para B.1, in the absence of adequate records it is not possible to determine whether the carrying value of inventory represents the fair value.

C.3 Short Term Loans & Advances

a) Security deposits, considered good, Rs.174.66 lakhs is being carried forward for a long time. Since the party wise details, agewise analysis and other relevant information are not made available to us, it is not possible to determine at this stage how much of the said deposits are ultimately collectable and no provisions have been made in these accounts.

b) Refer note 15 (d) (i) of annual accounts regarding Income Tax Deducted at Source considered Good Rs 649.91 lakhs. This balance pertains to Assessment years 2016-17 to 2019-20. The copies of assessment orders are not available with the company from assessment year 2016-17 onwards. Moreover a demand of Rs 436.80 lakhs pertaining to 1990-91 is shown in the name of the company for which no necessary records are available. The matter has been taken up with the Income Tax Department and the amount is shown as contingent liability.

c) Refer note 15(c)(vi) of annual accounts regarding interest free loan of Rs 1200 lakhs to Handicrafts and Handlooms Exports Corporation of India of which Rs 1078.21 lakhs is outstanding as on 31st March, 2019. Since the amount is expected to be repaid within 2 years from the date of disbursement of loan through sale of assets of the company, the amount should have been classified under Long Term Loans & Advances instead of Short Term Loans & Advances.



C. 4 Other Current Assets

Other assets comprises of Input GST Credit of Rs 55.05 lakhs. It is unlikely that the company will be able to utilize GST Input credit within September 2019 as per section 16(4) of the CGST Act, 2017. No provision has been made in the accounts in respect of this Input Credit.

C.5 Long Term Borrowings

a) Refer Note 4 for Long Term Borrowings. The company has repaid Rs 20000 lakhs against Unsecured Loan from Government of India and the present outstanding balance is Rs 21571.41 lakhs. This loan will be repaid through Funds generated by disposal of assets.

b) The company has taken loans from Government of West Bengal. The loan agreements along with terms and conditions for utilization and repayments of such loans were not made available to us for our verification. As stated in Note 4c, the Company has defaulted in repayment of the loan and the accumulated balance of Principal and Unpaid Interest amounts to Rs 1481.20 lakhs as on 31st March, 2019.

c) No balance confirmation has been obtained from the Central / State Governments for the loans.

C.6 Trade Payables

a) Refer Note 7 on Trade Payables. This includes Creditors for Supplies amounting to Rs.2,518.53 lakhs which are mostly carried forward for a long time. In the absence of party wise and invoice wise details, agewise analysis, confirmation of balances and other relevant details it is not possible to ascertain how much of these liabilities are ultimately payable.

b) Interest accrued on Trade Payables shows a balance of Rs 69.09 lakhs which is being carried forward for a long time and in the absence of requisite details ultimate liability could not be ascertained.

c) Amount payable to Micro, Small and Medium Enterprise amounted to Rs.148.56 lakhs which is being carried forward for a long time and no relevant details are available for verification. No further liabilities have been identified and accounted for and up to date provision of interest has also not been ascertained and provided for.

C.7 Other Current Liabilities

a) As indicated in Note 8, statutory liabilities amounting to Rs.4,260.02 lakhs include damages amounting to Rs.3,550.11 and Rs.592.24 claimed by ESI and Provident Fund authorities. These are being carried forward for a long time and as explained to us, waiver has been sought by the Company in accordance with BIFR approved scheme. However, no adjustments have been made for these outstanding amounts pending approval for waiver.

b) Statutory Liabilities also includes liability for Fringe Benefit Taxes Rs 7.94 lakhs, Interest on Professional Tax Rs 68.69 lakhs and Interest on Municipal Taxes for Rs 28.46 lakhs which are being carried forward for a long time. In the absence of relevant information it is not possible to ascertain how much of these liabilities are ultimately payable.

c) Undisbursed claim of Commissioner of Payment Rs.40.29 lakhs; Performance Guarantee Rs.57.47 lakhs, Security Deposit/EMD Rs.76.85 lakhs and Advance from parties Rs 98.83 lakhs: In the absence of partywise



details and other necessary information it was not possible to determine how much of the above mentioned amounts, which are being carried forward for a long time, are ultimately payable.

d) Included in Other Current Liabilities is Creditors for accrued wages and salaries Rs.343.53 lakhs. This is being carried forward for a long time and as explained to us, this figure includes Rs.114.16 lakhs on account of VRS payable, Rs.3.87 lakhs towards income tax refundable to employees and Rs.8.49 lakhs on account of profession tax refundable to employees. In the absence of relevant information it is not possible to ascertain how much of these liabilities are ultimately payable.

As a result of the aforesaid matters, we were unable to determine whether any adjustments to these amounts were necessary in the Balance Sheet, and the corresponding impact on the Statement of Profit and Loss.

Managements Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit in accordance with Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.



2. As required by section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, 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 the books.

c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

e) The matters described in the Basis for Qualified Opinion Paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) We have been informed that the provisions of section 164(2) of the Act in respect of disqualification of directors are not applicable to the Company, being a Government Company in terms of notification No.G.S.R.463 (E) dated 5th June, 2015.

g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion Paragraph above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

i) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) In the absence of complete details, we are not in a position to comment whether the Company has disclosed the full impact of pending litigations on its financial position in its financial statements.

b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. In response to the directions issued by the Comptroller and Auditor General of India under section 143(5) of the Act, we report that:

i) The company does not have an ERP Accounting System or fully integrated IT system among its units and corporate office. The accounts of each unit and corporate office are maintained on accounting software. Consolidation of accounts of the corporate office and the various divisions are done through a separate data entry mode.



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The present system adopted by the company leaves a scope of absence of data integrity and increases audit risk.

ii) According to the information and explanations given to us and the records of the Company examined by us, there have been no cases of waiver / write off of debts / loans / interest etc made by a lender to the company due to company's inability to repay the loan.

iii) a) The Government of India sanctioned Interest Free Loan of Rs 48362 lakhs as additional budgetary support for restructuring /revival of the Company as approved by Cabinet Committee of Economic Affairs (CCEA) and BIFR. Out of that amount Rs 41571.41 lakhs were released till 31.3.2018. During 2018-19 Government of India approved the closure of the Company and in line with directive issued by the Government of India, Rs 20000 lakhs were repaid. The balance amount is lying as Long Term Borrowings.

b) The Company has obtained a Loan of Rs 281.48 lakhs from Government of West Bengal in earlier years. The company has defaulted in repayment of Loan and Interest since 31st March 1994. The accumulated balance of Loan and Unpaid Interest is Rs 1481.20 lakhs as on 31.3.2019. The loan documents and terms and conditions of the loan were not made available to us.

c) As disclosed in Note 3 of the Financial Statements, the Company had received grants from Bihar Government and IJIRA in 1988-89 and subsidy from West Bengal Industrial Development Corporation in 1982-83. The detailed papers of such grant / subsidy as well as the assets acquired out of such grant were not made available to us.

For Gupta & Co.
Chartered Accountants
Firm's registration number; 301028E

Arnab Deb
Partner
Membership number: 062018
UDIN:19062018AAAAC2207

Kolkata
Date: 20.09.2019



Annexure A to Independent Auditor's Report

Referred to in the Independent Auditor's Report of even date to the members of National Jute Manufactures Corporation Limited ('the Company') on the financial statements for the year ended March 31, 2019.

We report that:

i) a. The Company has maintained records of fixed assets which lacks details like sufficient description to make identification possible, location/situation, year of purchase, adjustment for revaluation, useful life, impairment and components of fixed assets.

b. The fixed assets have not been physically verified by the management at any time during the year. However, only plant & machinery of 5 (five) mills of the company except Union Mill were physically verified and valued by a Government of India undertaking (Ferro Scrap Nigam Limited) during the previous financial year 2017-18. As per their report, the Plant & Machinery at units National & Alexandra were highly rusted damaged and un-serviced condition and the possibilities of further usage / reconditioning is negligible. For the units Khardah & RBHM Katihar, the Plant & Machinery were badly rusted damaged and un-serviced condition and the possibilities of further usage / reconditioning is moderate. The plant & machinery at Kinnison unit was moderately rusted and un-serviced condition and the possibilities of further usage / reconditioning is fair. However, no reconciliation in respect of assets physically verified with the fixed assets register have been carried out. Hence discrepancies, if any, as on balance sheet date could not be ascertained and accounted for.

c. The title deeds of immovable properties were not made available to us for our verification. However, according to information and explanation given to us, the landed property of the three mills viz Khardah, Kinnison and Alexandra is continued to be shown in the name of erstwhile companies. For updating the land records representation has been made to the Additional District Magistrate & District Land & Land Reforms Officer- North 24 Paraganas, Barasat. As on 31st March, 2019 the updation is pending.

ii). Physical verification of inventory has been conducted at Kinnison, Khardah and RBHM (Katihar) units of the Company by an external stock auditor. However, in the absence of updated inventory records no comparison of inventories verified with stock records could be done and inventory valuation on balance sheet date is done on the basis of such verification.

Most of the inventories are carried forward since long and there is no movement of inventory during the current financial year and previous financial year. Moreover, agewise analysis of inventory as well as identification of obsolete, non moving and non marketable inventories have not been done. The net Realisable value of the inventories has not been determined. Hence it is not possible to determine whether the carrying value of inventory represents the fair value.

iii. a) The Company had granted unsecured loans amounting to Rs.4668.95 lakhs to its subsidiary in earlier years, which is considered doubtful by the management and full provision has also been made. The Union Cabinet has approved the closure of the subsidiary company. The terms and conditions of the loan granted to its subsidiary was not made available to us and therefore, we are unable to comment whether such loans are prejudicial to the interest of the Company. Except this loan to subsidiary, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

b) The Company is charging interest and also making full provision of such amount as the amount is not considered recoverable.



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

c) The loan together with principal and interest remains overdue for more than 90 days. There is no recovery of loan over past years. Since the Union Cabinet has approved closure of the subsidiary there is no realistic chance of recovery of loan amount and interest.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under sections 185 and 186 of the Act during the current year.

v. The Company has not accepted any deposits from the public during the year within the meaning of sections 73 to 76 of the Act and the Rules framed there under to the extent notified and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of clause 3(v) of the Order are not applicable to the company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under section 148(1) of the Act in respect of its products. Such cost accounting records were not made available to us for our review and accordingly, we are unable to comment whether such prescribed accounts and records have been made and maintained by the Company.

vii. a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, value added tax, service tax, duty of customs, duty of excise, sales tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following statutory dues have not been deposited as on March 31, 2019 on account of dispute:

Name of the Statute	Nature of dues	Amount (Rs.lakhs)	Period to which amount relates	Forum where dispute is pending
Finance Act 1994	Service tax	0.10	Very old	Deputy Commissioner of Service tax
West Bengal Value Added Tax 2003	CST	220.18	2011-12 to 2015-16	Deputy Commissioner of Commercial Taxes

In addition to above, the following old statutory dues stated to be disputed, remain outstanding in the books of the company as on 31st March, 2019 for which details are not available:

- a) Provident fund Rs.595.22 lakhs
- b) Employees' state insurance Rs.3,550.29 lakhs
- c) Profession tax Rs.69.40 lakhs
- d) Municipal tax Rs.28.47 lakhs,
- e) Fringe benefit tax Rs.7.94 lakhs
- f) VAT / CST Rs 8.99 lacs

viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of loan from Government of West Bengal amounting to Rs.1481.20 lakhs(including interest thereon Rs.1,199.72 lakhs) which is subject to adjustments as disclosed in Additional Information to Note 4 of Financial Statements.

ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). The Company had obtained loans from both Government of West Bengal and Government



of India in earlier years. However, the terms and conditions subject to which the Company has obtained the loans including purpose for which such loans were sanctioned were not available to us. Therefore, we are unable to comment whether the loans were applied for the purposes for which those were obtained.

x) To the best of our knowledge and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

xi) The provisions of section 197 read with Schedule V of the Act, relating to managerial remuneration are not applicable to the Company, being a Government Company, in terms of Ministry of Corporate Affairs Notification No. G.S.R.463 (E) dated 5th June, 2015.

xii) The Company is not a Nidhi company as prescribed as per provisions of section 406 of the Act. Accordingly, reporting under the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act 2013.

xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Act are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For Gupta & Co.
Chartered Accountants
Firm's registration number: 301028E

Arnab Deb
Partner
Membership number: 062018
UDIN:19062018AAAAC2207

Kolkata
Date: 20.9.2019



Annexure B to Independent Auditor's Report of Even Date on the Financial Statements of National Jute Manufactures Corporation Limited

Report on the Internal Financial Controls under Section 143(3) (i) of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **National Jute Manufactures Corporation Limited** ('the Company') as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act 2013 ('the Act') to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operate effectively in all material aspects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the



Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our opinion, therefore, do not assure, for example, the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI, e.g. control environment, risk assessment, control activities, information system and communication and monitoring. The Board's report also does not indicate any risk management policy for the Company including identification therein of elements of risk.

In view of above observations, Internal Financial Controls in the Company as on 31.3.2019 is inadequate based on the internal control over financial reporting criteria as stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

We have considered the qualified opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the qualification does not affect our opinion on the financial statements of the Company.

For Gupta & Co.
Chartered Accountants
Firm's registration number.301028E

Arnab Deb

Partner
Membership number:.062018
UDIN:19062018AAAAC2207

Place: Kolkata
Date: 20.9.2019



NATIONAL JUTE MANUFACTURES CORPORATION LTD.



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

Balance Sheet
as at
31st March 2019



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ In Lakh)

	Note no.	As at 31st March, 2019		As at 31st March, 2018	
(A) EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share Capital	2	5,579.74		5,579.74	
(b) Reserves and Surplus	3	(27,777.24)	(22,197.50)	(27,923.07)	(22,343.33)
(2) Non-Current Liabilities					
(a) Long-Term Borrowings	4	23,052.61		43,020.23	
(b) Long-Term Provisions	5	23.35	23,075.96	23.35	43,043.58
(3) Current Liabilities					
(a) Short-Term Borrowings	6	0.00		0.00	
(b) Trade Payables	7	2,587.62		2,549.96	
(c) Other Current Liabilities	8	5,132.96		5,237.26	
(d) Short-Term Provisions	9	189.08	7,909.66	189.08	7,976.30
TOTAL			8,788.12		28,676.55
(B) ASSETS					
(1) Non-Current Assets					
(a) Property, Plant and Equipment					
(i) Tangible Assets	10	1,003.60		1,056.26	
(ii) Capital Work-in-Progress	10	-	1,003.60	17.48	1,073.74
(b) Non-Current Investments	11	-	-	-	-
(2) Current Assets					
(a) Inventories	12	627.31		627.31	
(b) Trade Receivables	13	-		71.27	
(c) Cash and Cash Equivalents	14	5,188.30		24,815.17	
(d) Short-Term Loans and advances	15	1,903.19		1,169.25	
(e) Other Current Assets	16	65.72		897.05	
(f) ISDS Project	17	-		22.76	
TOTAL			7,784.52		27,602.81
			8,788.12		28,676.55

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

1
1-26

For and on behalf of the Board

For Gupta & Co.
Chartered Accountants
Registration No.301028E

(Mr. Vijoy Kumar Singh)
Director

(Mr. Sanjay Rastogi)
Chairman-cum-Managing Director

Arnab Deb
Partner
Membership No. 062018

(Malini Mahapatra)
Company Secretary

Date: 20.09.2019
Place: Kolkata



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ In Lakh)

	Note no.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
1	18	-	-
2	19	1,375.76	1,823.83
3		1,375.76	1,823.83
EXPENSES			
4	20	-	-
	21	-	-
	22	83.98	119.02
	23	32.39	32.40
	10	70.14	65.19
	24	1,043.32	687.81
		1,229.83	904.42
5		145.93	919.41
6	25	-	-
7		145.93	919.41
8	26	-	-
9		145.93	919.41
10		-	-
		-	-
11		145.93	919.41
12			
	27	26.15	164.78
	27	26.15	164.78

Significant Accounting Policies 1
 Notes forming integral part of the Financial Statements 1-26
 In terms of our report of even date

For and on behalf of the Board

For Gupta & Co.
 Chartered Accountants
 Registration No.301028E

(Mr. Vijoy Kumar Singh)
 Director

(Mr. Sanjay Rastogi)
 Chairman-cum-Managing Director

Arnab Deb
 Partner
 Membership No. 062018

(Malini Mahapatra)
 Company Secretary

Date: 20.09.2019
 Place: Kolkata



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ In Lakh)

		For the year ended 31st March, 2019		For the year ended 31st March, 2018	
A.	Cash Flow from Operating Activities				
	Net Profit / (Loss) before extraordinary item and Tax.		145.93		919.41
	Adjustments for:				
	Finance Cost	32.39		32.39	
	Depreciation	70.14		65.19	
	Interest Income	(1,262.04)		(1,726.00)	
	Adjustment for Govt. Grant (Reserve)	(0.10)	(1,159.61)	(0.10)	(1,628.52)
	Operating Profit before Working Capital Change		(1,013.68)		(709.11)
	Change in Inventories	-		(0.10)	
	Decrease Trade Receivables	71.27		85.24	
	Increase in Short Loan & Advances	(733.94)		(181.69)	
	Decrease Other Current Assets	831.33		105.41	
	Increase in Trade Payables	37.65		(1.67)	
	Decrease Other Current Liabilities	(104.30)		25.42	
	Decrease in Short term Borrowings	(0.00)		(0.58)	
	ISDS Fund expenditure	22.76		(0.03)	
	Net Cash Flow from working capital charges		124.77		32.09
	Cash Flow from Operations		(888.91)		(677.02)
	Net Cash from Operating Activities (A)		(888.91)		(677.02)
B.	Cash Flow from Investing Activity				
	Encashment Fixed Deposit	16,539.82		(1,314.82)	
	Purchase of Fixed Assets	-		(0.44)	
	Interest Income	1,262.04		1,726.00	
	Net Cash from Investing Activities (B)		17,801.86		410.74
C.	Cash Flow from Financing Activities				
	Repayment of Long Term Borrowing	(20,000.00)			
	Net cash from Financing Activities		(20,000.00)		-
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		(3,087.05)		(266.28)
	Cash and Cash Equivalents at the beginning of the year		3,894.71		4,160.99
	Cash and Cash Equivalents at the end of the year		807.66		3,894.71



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)

(₹ In Lakh)

		For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	Components of Cash and Cash Equivalents are :				
a)	Balances with Banks				
	(i) In current account	176.42		199.93	
	(ii) In fixed deposit account (Maturity less than 3 months)	631.10		3,694.41	
	(iii) Margin Money	3.10	810.62	3.10	3,897.44
	Less :- Provision against		3.10		3.10
			807.52		3,894.34
b)	Cash in Transit		-		-
c)	Cash in Hand		0.14		0.37
			807.66		3,894.71

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

For Gupta & Co.
Chartered Accountants
Registration No.301028E

Arnab Deb
Partner
Membership No. 062018

Date: 20.09.2019
Place: Kolkata

(**Mr. Vijoy Kumar Singh**)
Director

For and on behalf of the Board

(**Mr. Sanjay Rastogi**)
Chairman-cum-Managing Director

(**Malini Mahapatra**)
Company Secretary



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019.

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 recognises income and expenditure on accrual basis. The Company has complied with the accounting standards specified in under section 133 of The Companies Act, 2013 (the Act) read with Rule 7 of The Companies (Accounts) Rules 2014 (as amended) and other relevant provisions of The Companies Act 2013 to the extent applicable.

1.2 FIXED ASSETS:

1.2.1 Fixed Assets are valued at cost/book value as on the date of nationalisation as well as the cost of procurement of assets afterwards. Some Fixed Assets were revalued in 1997-98.

1.2.2 Depreciation:

Depreciation on fixed assets is charged on written down value as per Schedule-II to the Companies Act, 2013. The company has reassessed the useful life of its existing fixed assets in accordance with schedule-II and a new rate of depreciation on written down value method has been arrived at to depreciate the assets over the remaining useful life. Since most of the assets were procured long back and the useful life has already been exhausted only 5% residual value appears in the books and no further depreciation has been provided on those fixed assets. The company will fully depreciate individual assets costing upto ₹5,000/-, in the year of acquisition.

1.3 INVESTMENTS

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

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 cost or market value whichever is lower. Cost includes all direct cost and applicable manufacturing overheads.

1.4.3 Work-in-process is valued at estimated cost based on percentage of specific stage of processing on a uniform basis. However no conversion cost is included since obligation of payment to the conversion contractor arises after completion of packed production and no liability is considered for semifinished goods in line with the provision of contract / agreement.

1.4.4 Stores and spares are valued at cost.

1.5 REVENUE RECOGNITION

Sales to Director General of Supply & Disposal (DGS&D) are accounted on the basis of delivery of goods and for other cases on receipt Paid Delivery Order. Interest income is accounted on accrual basis.

1.6 CONTINGENT AND OTHER LIABILITIES

Show-cause notice received from various Government / 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.



NOTE - 1 (Contd.)

1.7 RETIREMENT BENEFITS

- 1.7.1 Gratuity: Liability for gratuity is provided on the basis of actual liability in respect of employees on roll as on the Balance Sheet date.
- 1.7.2 Leave Encashment: Liability for Leave Encashment is provided for on the basis of actual liability as on the Balance Sheet Date.

NOTE - 2 SHARE CAPITAL

	(₹ In Lakh)	
	As at 31st March, 2019	As at 31st March, 2018
AUTHORISED		
600000 Equity Shares of ₹ 1,000/- each (Previous Year 600000 Equity Shares)	6000.00	6000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
557974 Equity Shares of ₹ 1,000/- each (Previous Year 557974 Equity Shares)	5579.74	5579.74
TOTAL	5579.74	5579.74

ADDITIONAL INFORMATION

- a) Out of total 557974 shares, 366000 Equity Shares of ₹ 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 ₹ 1,000/- per shares. 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, 2019		As at 31st March, 2018	
	No. of Shares	(%)	No. of Shares	(%)
Hon'ble President of India	557972	99.99	557972	99.99



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 3 RESERVES AND SURPLUS

	As at 31st March, 2019	As at 31st March, 2018
		(₹ In Lakh)
Capital Reserve		
Against Government Grants		
Opening Balance	1.19	1.29
Add :- Addition / Transferred during the year	-	-
Less :- Utilised / Transferred during the year	<u>0.10</u>	<u>0.10</u>
Closing Balance	1.09	1.19
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	(28,366.07)	(29,285.48)
Balance in Statement of Profit and Loss	<u>145.93</u>	<u>919.41</u>
Closing Balance	(28,220.14)	(28,366.07)
TOTAL	<u>(27,777.24)</u>	<u>(27,923.07)</u>

ADDITIONAL INFORMATION

Capital Reserve

a) Against balance of grant received from Bihar Government, amounting to ₹ 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 RBHM.	0.97	1.07
b) Against balance of grant received from IJIRA, amounting to ₹ 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.	-	-
c) Subsidy of ₹ 0.01 Lakh being the balance of grant received from WB Industrial Development Corporation Limited in 1982-83 amounting to ₹ 6.97 Lakh for installation of captive diesel power generating set in respect of Unit Kinnison after adjustment of depreciation from the date acquisition (P.Y. ₹ 0.01 Lakh.)	0.01	0.01
d) The difference between market value and book value of Investments in respect of Unit RBHM as on the date of nationalisation.	0.11	0.11
	<u>1.09</u>	<u>1.19</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. 5 and 6 in Note 10 on Fixed Assets)

441.81	441.81
<u>441.81</u>	<u>441.81</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 4 LONG TERM BORROWINGS

	(₹ In Lakh)	
	As at 31st March, 2019	As at 31st March, 2018
A) Other loans and advances (Unsecured)		
i) From Government of India	21,571.41	41,571.41
ii) From Government of West Bengal	281.48	281.48
iii) Interest accrued and due on borrowings from Government of West Bengal	1,199.72	1,167.34
TOTAL	23,052.61	43,020.23

ADDITIONAL INFORMATION

- a) 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 repaid Rs. 20000 Lakh in terms with closure notification during 2018-19.
- b) 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.
- c) The Company has defaulted in repayment of loans and interest in respect of the following:

	(₹ In Lakh)			
	As at 31st March, 2019		As at 31st March, 2018	
	Period of default	Amount (₹ In Lakhs)	Period of default	Amount
Loan from Government of West Bengal :				
i) Principal	Since 31.03.1994	281.48	Since 31.03.1994	281.48
ii) Interest	Since 31.03.1994	1,199.72	Since 31.03.1994	1,167.34
TOTAL		1,481.20		1,448.82

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

- i) Adjustment of Principal Amount of ₹281.48 Lakhs above against compensation receivable for acquisition of Land by them as referred to in Additional Information 3 in Note 10 on Fixed Assets and
- ii) Conversion of accrued interest of ₹922 Lakhs included in the above Interest amount of ₹1199.72 Lakhs (P. Y. ₹1167.34 Lakhs) into a Soft Loan in accordance with BIFR Approved Scheme.



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 5 LONG TERM PROVISIONS

(₹ In Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Provision for Employee Benefits		
i) Provision for Leave encashment	11.83	11.83
ii) Provision for Gratuity	11.52	11.52
TOTAL	23.35	23.35

ADDITIONAL INFORMATION

1. Gratuity : No provision for gratuity has been made during the current financial year since all the employees are on contract basis.
2. Leave Encashment : No provision for Leave Encashment has been made on the same ground as mentioned above. However, actual payment is charged to revenue accounts as and when payment is made.

NOTE - 6 SHORT TERM BORROWINGS

(₹ In Lakh)

	As at 31st March, 2019	As at 31st March, 2018
Ovedraft Account with Allahabad Bank (Secured against Fixed Deposit)	-	-
TOTAL	-	-

NOTE - 7 TRADE PAYABLES

(₹ In Lakh)

	As at 31st March, 2019	As at 31st March, 2018
i) Creditors for supplies	2,518.53	2,480.87
ii) Interest accrued on Trade Payables	69.09	69.09
TOTAL	2,587.62	2,549.96

ADDITIONAL INFORMATION

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

a) Principal amount remaining unpaid to any supplier as at the end of the year	55.06	55.06
b) Interest due and payable upto the end of the last year	93.50	93.50
TOTAL	148.56	148.56



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 8 OTHER CURRENT LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
	(₹ In Lakh)	
i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, Vat, Service Tax, Interest on PF etc.)	4,260.02	4,254.69
ii) Undisbursed claim of Commissioner of Payments	40.29	40.29
iii) Performance Guarantee	57.47	57.47
iv) Security Deposit/EMD	76.85	77.58
v) ISDS Fund (Pending utilisation for ISDS Project)	-	144.00
vi) Provision for Interest on ISDS Fund	19.02	-
vii) Advance from Parties	98.83	99.54
viii) Property Tax/Municipal Tax & Service Charge	236.95	224.94
ix) Creditors for accrued wages and salaries	343.53	338.75
TOTAL	5,132.96	5,237.26

ADDITIONAL INFORMATION

- a) Statutory Liabilities includes damages amounting to ₹ 3550.11 Lakhs (P. Y ₹ 3550.11 Lakhs) and ₹ 592.24 Lakhs (P. Y ₹ 592.24 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.
- b) Statutory Remittances also includes Fringe Benefit Tax amounting to ₹ 7.94 Lakhs (P. Y ₹ 7.94 Lakhs), Interest on Professional tax ₹ 68.69 Lakhs (P. Y ₹ 68.69 Lakhs) & Interest on Municipal Tax ₹ 28.46 Lakhs (P. Y ₹ 28.46 Lakhs) for long time
- c) Property Tax reflects the demand made by K.M.C for the premises 5 Alipore Road, Calcutta, which is under subjudice. The breakup of which is as under.

	Principal	Penalty	Interest	Total
	(₹ In Lakh)			
	52.88	7.21	38.58	98.67
	48.81	7.21	38.58	94.60
d) Property Tax also includes ₹ 138.28 Lakh (Previous Year ₹ 130.33 Lakh) for other units.				
e) Creditors for accrued wages and salaries include :				
a) VRS Payable			114.16	114.16
b) Income Tax Refundable to Employees			3.85	3.87
c) Profession Tax Refundable to Employees			8.49	8.49
The above figures are still under reconciliation and adjustment required, if any, in the accounts, will be carried out when the reconciliation process is over.				
TOTAL			126.50	126.52

NOTE - 9 SHORT TERM PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
	(₹ In Lakh)	
Provision for Contingency (On account of Gratuity payable to workmen after reconciliation)	189.08	189.08
TOTAL	189.08	189.08



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.
NOTE - 10 PROPERTY, PLANT AND EQUIPMENT

(₹ In Lakh)

Tangible Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 31st March, 2018	Addition (+)	Deduction (-)	As at 31st March, 2019	Upto 31st March, 2018	For the Year (+)	Adjustment (-)	Upto 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
(a) Land -Freehold	605.59	-	-	605.59	-	-	-	-	605.59	605.59
(b) Buildings	1,003.41	-	-	1,003.41	801.44	17.21	-	818.65	184.76	201.97
(c) Plant and Equipment	3,712.69	17.48	-	3,730.18	3,476.95	51.09	-	3,528.04	202.14	235.74
(d) Furniture and Fixtures	88.09	-	-	88.09	81.89	0.39	-	82.28	5.81	6.20
(e) Vehicles	47.21	-	-	47.21	42.22	1.35	-	43.57	3.64	4.99
(f) Computer	67.90	-	-	67.90	66.18	0.10	-	66.28	1.62	1.72
(g) Railway Siding	1.55	-	-	1.55	1.51	-	-	1.51	0.04	0.04
Total Tangible Assets (A)	5,526.44	17.48	-	5,543.92	4,470.18	70.14	-	4,540.33	1,003.60	1,056.26
Previous year (A)	5,526.00	0.44	-	5,526.44	4,404.99	65.19	-	4,470.18	1,056.26	1,121.01
Capital Work in Progress	24.86	-	-	24.86	-	-	-	-	24.86	24.86
Less: Provision	(24.86)	-	-	(24.86)	-	-	-	-	(24.86)	(24.86)
Total Capital Work in Progress (B)	0.00	-	-	0.00	-	-	-	-	0.00	0.00
Previous year (B)	17.48	-	-	17.48	-	-	-	-	17.48	17.48
Total Fixed Assets (A+B)	5,526.44	17.48	-	5,543.92	4,470.18	70.14	-	4,540.33	1,003.60	1,056.26
Previous year(A+B)	5,543.48	0.44	-	5,543.92	4,404.99	65.19	-	4,470.18	1,073.74	1,138.49



NOTE 10 FIXED ASSETS (contd)

ADDITIONAL INFORMATION

- 1) Government of India has approved the closure of NJMC Ltd. on 10.10.2018. As per the directive of the competent authority, the closure has to be made in accordance with the DPE Guidelines issued vide O.M. No. DPE/5(1)/2014-Fin(Part-1) on 14.06.2018. NBCC(India) Ltd. has been appointed as Land Management Agency (LMA) and M/S. MSTC Ltd. has been appointed as E-Auctional agency for disposal of Plant & Machinery etc. with approval of Board of Directors of NJMC Ltd. Process of closure in line with the DPE Guidelines dated 14.06.2018 is under progress.
- 2) Plant and Equipments include 8 Nos. Herackle Machines pertaining to Unit Alexandra which is lying with a third party on the date of Nationalisation.
- 3) Land includes 4.48 acres of land of Unit Khardah acquired by Govt. of West Bengal, for setting up Titagarh Thermal Power Plant of Culcutta Electric Supply Corporation Ltd. Necessary adjustment will be made on receipt of compensation amount.
- 4) 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, Culcutta, 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, Culcutta. 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 Culcutta 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 20.12.1980 and the Assets were vested to this Corporation free from all encumbrances. The mortgagee thereafter 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 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 wherein MOT asked NJMC to examine the issue from Legal point of view. Accordingly NJMC has referred the matter of Ministry of Law Justice & Company affairs vide letter No.... received from Ministry of Law & Justice and Barrister Sri Anindya Kumar Mitra were forwarded to MOT vide letter No. JNMC/CMD/8 dated 28/01/2008 and also to Barrister Sri Anindya Kumar Mitra on the aforesaid matter. The opinions 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



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTE-10 FIXED ASSETS (contd...)

affidavits in reply on behalf of NJMC and Union of India (MOT) may be amended in the Hon'ble High Court, Calcuta 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.

In 2019 writ petition 5292 of 1981 was restored, exchange of affidavits completed and will come up for hearing.

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

- 5) Value of land pertaining to Unit RBHM, measuring 96 Bighas 15 Kattahs, 5 Dhurs has been capitalised for ₹373.02 Lakhs in 1999-2000 with the approval of Board of Directors on 21.06.2000 as per valuation report as on 31.03.1993 of M/s Esjay consultants Pvt Ltd. appointed by IIBI.
- 6) Value of Land includes 4.03 acres of land valued at ₹41.55 Lakh and Value of Building includes building valued at ₹27.24 Lakh situated at Kalimpong & Forbesgunj of Unit R.B.H.M as per valuation Report as on 31.03.1993 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
- 7) 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. The Company's management is not in a position to reconcile their records of title deeds with the immovable properties acquired on the date of nationalisation in the name of the Company.
- 8) Plant & Machinery declared as discarded and / or obsolete are shown as current assets at their book value amounting to ₹8.14 lakhs (Previous Year ₹10.01 lakhs) which is fully provided for.
- 9) During the Financial Year 2016-17 the Company has disposed off a substantial portion some of the fixed assets of Alexandra and National, which are all closed units.

Name of Mills	Name of the Fixed Assets	Gross Block as on 31.03.2017 (₹)	WDV as on 31.03.2017 (₹)
Alexandra	Plant & Machineries	1,48,276.00	1,483.75
National	Plant & Machineries	37,45,379.30	61,424.22
Total		38,93,655.30	62,907.97



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 11 NON CURRENT INVESTMENT

(₹ In Lakh)

As at 31st March, 2019	As at 31st March, 2018		As at 31st March, 2019	As at 31st March, 2018
Other than Trade Investments				
Number	Number			
(A) INVESTMENT IN EQUITY INSTRUMENTS- EQUITY SHARES IN SUBSIDIARY COMPANIES-UNQUOTED				
14415	14415	Birds Jute & Exports Ltd., Ordinary Share (Face value ₹ 100/- each)*	-	-
10	10	Birds Jute & Exports Ltd., Ordinary Share (Face value ₹ 100/- each)*	-	-
143	143	Birds Jute & Exports Ltd., 7% Cumulative Preference Share (Face value ₹ 100/- each)	0.01	0.01
			0.01	0.01
EQUITY SHARES IN ASSOCIATED COMPANIES-UNQUOTED				
5	5	The Kinnison Jute Mills Co. Ltd., (Face value ₹ 100/- each)*	-	-
			-	-
EQUITY SHARES IN CO-OPERATIVE SOCIETIES-UNQUOTED				
250	250	Union North Jute Mills Employees' Co-Operative Stores Ltd. (Face value ₹ 10/- each)*	-	-
			-	-
EQUITY SHARES IN OTHER COMPANIES-QUOTED				
180	180	Duncans Agro Industries Ltd. (Face value ₹ 10/- each)	0.01	
111	111	Birla Corporation Limited (Face value ₹ 10/- each)	0.01	
42	42	Cheviot Company Ltd. (Face value ₹ 10/- each)*	-	
			0.02	0.02
EQUITY SHARES IN OTHER COMPANIES-UNQUOTED				
180	180	Hathikhira Tea Co. Ltd. (Face value ₹ 10/- each)*	0.01	0.01
1200	1200	Jaipur Udyog Ltd. (Face value ₹ 10/- each)*	0.02	0.02
95	95	Budge Budge Co. Ltd. (Face value ₹ 100/- each)*	0.01	0.01
95	95	Delta Jute & Industries Ltd. (Face value ₹ 10/- each)*	-	-
20	20	The Ganges Manufacturing Co. Ltd. (Face value ₹ 10/- each)	-	-
2	2	Anglo India Jute Mills Co. Ltd. (Face value ₹ 100/- each)	-	-
26	26	The Empire Jute Co. Ltd., (Face value ₹ 10/- each)	-	-
600	600	Willard India Ltd. 600 Nos. (Face value ₹ 100/- each)*	0.01	0.01
3	3	Lawrence Investment & Property Co. Ltd. 3 Nos. (Face value ₹ 100/- each)	0.01	0.01
100	100	Waverly Jute Co. Ltd. (Face value ₹ 50/- each)	0.01	0.01
36972	36972	Britannia Engineering Co. Ltd. (in liquidation) (Face value ₹ 100/- each)		
2700	2700	2700 Stock of 1 Pound each in Titagarh Jute Factory PLC (Face value ₹ 1/- each)*	0.11	0.11
			0.18	0.18



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 11 NON CURRENT INVESTMENT (CONTD.)

(₹ In Lakh)

**Number of Share /
Security / Bonds / Units**

(B) INVESTMENT IN PREFERENCE SHARES

70	70	J. F. Low & Co. Ltd. (Face value Rs. 100/- each)*	-	-
			-	-

(C) INVESTMENT IN GOVERNMENT SECURITIES

3% Conversion Loan 1986 (Face value ₹ 700/- Matured)	0.01	0.01
3% Conversion Loan 1986 (Face value ₹ 5,300/-)	0.04	0.04
7 Years National Savings Certificate :-		
Old Series	0.05	0.05
New Series	0.15	0.15
The West Bengal Estate Acquisition Compensation Bonds	0.01	0.01
12 Years National Defence Certificate	0.01	0.01
Government of India 5.5% Loan 1999 (Face value ₹ 42,500/-)	0.42	0.42
12 Years National Defence Certificate	0.01	0.01
12 Years National Savings Certificate	0.04	0.04
	0.74	0.74

(D) INVESTMENT IN DEBENTURES-UNQUOTED

East Indian Clinic Ltd., 5% Non redeemable Debentures	0.36	0.36
	0.36	0.36

TOTAL	1.31	1.31
Less Provision	1.31	1.31
TOTAL	-	-

* Denotes the Book Value of which is below ₹ 1,000/-.

Aggregate Book value of Quoted Non-Current Investment	-	-
Aggregate Book value of Unquoted Non-Current Investment less Provision	-	-
Total Quoted and Non-quoted Non-current investment	-	-
Aggregate Market value of quoted Non Current Investment	NA	NA

ADDITIONAL INFORMATION

	UNIT	(₹ In Lakh)	(₹ In Lakh)
(1) Provision made for doubtful of recovery :	National	7857	7857
	Union	31172	31172
	Kinnison	65328	65328
	Khardah	4883	4883
	R.B.H.M	21340	21340
	Corporate	903	903
	Alexandra	3	3
TOTAL		131486	131486



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 12 INVENTORIES

(₹ In Lakh)

	As at 31st March, 2019		As at 31st March, 2018	
a) Raw Materials (At Lower of Cost or Market price)	138.57		138.57	
Add : In Transit	-	138.57	-	138.57
b) Work in Process (At Lower of estimated cost or realisable value)		63.38		63.38
c) Finished Goods (At Lower of Cost or Market price)		199.48		199.48
d) Stores & Spares (At or under Cost)	380.81		380.81	
Less - Provision for diminution in value	154.93	225.88	154.93	225.88
TOTAL		627.31		627.31

ADDITIONAL INFORMATION

- a) Closing Stock of Raw Materials, Finished Goods, WIP & Stores have been accounted for on the basis of the Physical quantity as reported by Stock Auditors in case of Kinnison, Khardah and RBHM, except Alexandra, National and Union Mills.
- b) Closing stocks are valued as per the Company's approved Policy, vide Note. No. 1.4.

NOTE - 13 TRADE RECEIVABLES

(₹ In Lakh)

	As at 31st March, 2019		As at 31st March, 2018	
Outstanding for a period exceeding six months				
a) Unsecured - Considered Good	-		71.27	
- Considered Doubtful	283.36		212.09	
	283.36		283.36	
Less : Provision for Doubtful Trade Receivables	283.36	-	212.09	71.27
b) Other Receivables-Considered Good		-		-
TOTAL		-		71.27



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 14 CASH AND CASH EQUIVALENTS

(₹ In Lakh)

	As at 31st March, 2019	As at 31st March, 2018
a) Balances with Banks		
(i) In current account	176.42	199.93
(ii) In fixed deposit account	5,011.74	24,614.87
(iii) Margin Money	3.10	3.10
Less :- Provision against Margin Money	3.10	3.10
	<u>5,188.16</u>	<u>24,814.80</u>
b) Cash on hand	0.14	0.37
TOTAL	<u>5,188.30</u>	<u>24,815.17</u>

ADDITIONAL INFORMATION

- a) An amount of ₹18.10 Lakhs, included in current account with Bank of India as on 31.03.2019 (Previous Year ₹18.10 Lakhs), has been attached by Certificate officer, Gratuity, for recovery of their dues
- b) i. Fixed Deposit maturing less than 3 months ₹631.10 lakh (Previous Year ₹3,694.41 lakh) and between 3 to 12 months is ₹4,380.64 lakh (Previous Year ₹20,920.46 lakh)
- ii. An amount of ₹Nil (previous year 144.00 lakh) included in the fixed deposit account represents the fund received from Government of India to implement the ISDS project.
- c) Margin Money of ₹3.10 lakhs is a very old balance being carried forward without any details. Accordingly full provision has been made.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 15 SHORT TERM LOANS AND ADVANCES

(₹ In Lakh)

	As at 31st March, 2019	As at 31st March, 2018	
a) Loans and advances to related parties			
Unsecured - Considered Good	-	-	
- Considered Doubtful	4,668.95	4,576.16	
	<u>4,668.95</u>	<u>4,576.16</u>	
Less: Provision	4,668.95	-	4,576.16
b) Advances recoverable in cash or kind or for value to be received			
i) Income Tax deducted as Source			
- Considered good	649.91	913.32	
- Considered doubtful	408.77	14.85	
	<u>1,058.68</u>	<u>928.17</u>	
Less:- Provision	408.77	649.91	14.85
			913.32
ii) Security deposits			
Unsecured - considered good	174.66	244.84	
- considered doubtful	11.47	11.60	
	<u>186.13</u>	<u>256.44</u>	
Less: Provision	11.47		11.60
		174.66	244.84
iii) Balances with Government Authorities			
Unsecured - considered good	-	6.93	
- considered doubtful	12.10	5.17	
	<u>12.10</u>	<u>12.10</u>	
Less: Provision	12.10		5.17
		-	6.93
iv) Others			
Unsecured - considered good	1,078.62	4.16	
- considered doubtful	414.21	410.02	
	<u>1,492.83</u>	<u>414.18</u>	
Less: Provision	414.21		410.02
		1,078.62	4.16
TOTAL	<u>1,903.19</u>	<u>1,169.25</u>	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 15 SHORT TERM LOANS AND ADVANCES (CONTD.)

ADDITIONAL INFORMATION

a) Birds Jute & Export Limited (BJEL) is a subsidiary company of NJMC Ltd. Due to financial crisis of BJEL, the Board of NJMC Ltd had granted temporary loans from time to time since 29th December 1986. The last instalment of loan had been granted by Board in the year 2004-05. NJMC Ltd, in its Board meeting held on 23rd December 1991 also resolved to charge interest at 18.50% with effect from 01.04.1991 on the existing and future loans as may have to be advanced to BJEL.

In view of failure to refund the accumulated loan as well as interest, Board of NJMC Ltd directed to make the provision for doubtful debts for the amount receivable from BJEL in the accounts of 2003-04 of NJMC Ltd and onwards.

Accordingly the same is being complied with.

The total amount of loan and interest, under the category of related party, as on 31.03.2019 is ₹4668.95 lakhs (previous year ₹4576.16 lakhs), the full provision of ₹4668.95 lakhs (previous year ₹4576.16 lakhs) has been provided for as doubtful of recovery.

It is also to be mentioned that Government of India has approved the closure of BJEL on 10.10.2018.

b) Security Deposit includes an amount of ₹1.87 lakhs which has been recovered by Provident Fund authority in spite of provision for waiver of damages in BIFR revival scheme as well as existence of injunction by the High Court of Kolkata against W.P.No.471(W)/2016. The provision for the entire 1.87 Lakhs has been made in the Account.

c) Others Include

i) An amount of ₹11.33 Lakh in respect of Unit Khardah (Previous Year ₹11.33 Lakhs) which represents money in course of misappropriation 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 ₹24.00 Lakhs in respect of Unit National (Previous Year ₹24.00 Lakhs) paid to the Trustees of National Company Limited Jute Mill works' 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 ₹32.76 lakhs (Previous Year ₹32.76 Lakhs) and amount of ₹2.24 lakhs (Previous Year ₹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 ₹10.39 lakhs represents advanced towards VRS Package to officers of the Company provision has been made for the entire amount of 10.39 lakhs in the Account.



NOTE - 15 SHORT TERM LOANS AND ADVANCES (CONTD.)

- v) An amount of 185.64 lakhs is receivable from BJEL on account of transactions carried out in the preceeding year and full provision has been made in the accounts.
- vi) During the financial year 2018-19 the Company has given an Interest free loan amounting to Rs. 1200.00 Lakhs to Hadricrafts & Handlooms Exports Corporation of India Ltd. This loan was given on the basis of directive from Ministry of Textiles, Government of India vide its letter no.F.No.21/2/2018/HHEC/PSU dated 03.07.2018. The outstanding balance as on 31.03.2019 was 1078.21 Lakhs. As per condition of MOU the loan will be repaid by sale of assets of the Company within 2 years from date of disbursement of loan.
- d) (i) The amount of Income Tax deducted at Source (TDS) is Rs.1058.68 Lakh.The details of above assessment year wise as under:

Financial Year	Assessment Year	TDS Amount(In Lakh)
2014-15	2015-16	167.73
2015-16	2016-17	161.76
2016-17	2017-18	412.38
2017-18	2018-19	173.19
2018-19	2019-20	130.52
Old balance		13.10
Total		1058.68

The assessment of the assessment year 2016-17 onwards has been shown as completed in the portal of CPC-Bangalore but NJMC Ltd. did not receive any assessment orders of any of the above assessment years.

Accordingly no provision has been made except the amount 167.73 Lakh which has been adjusted by CPC-Bangalore unilaterally against outstanding demand pertaining to assessment year 1990-91 as was done by them in earlier years but not accepted by NJMC Ltd.

TDS amount receivable shown in financial year 2016-17 includes transfer of Rs.226.18 Lakhs from ITDS A/c,being carried forward over a period of long time having no details for which full provision has been made in this year.

The issue of demand related to 1990-91 has been taken up with Jurisdictional Income Tax Authority who expressed their inability to confirm the demand and advised NJMC Ltd. to contact CPC-Bangalore.

CPC-Bangalore also contacted under RTI Act.2005 from whom clarification is yet to be received.

The same will be dealt in appropriate manner after obtaining clarification from Income Tax Authority.



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 16 OTHER CURRENT ASSETS

(₹ In Lakh)

	As at 31st March, 2019		As at 31st March, 2018	
a) Accruals				
Interest accrued on deposits	3.53		838.68	
Less :- Provision	1.80	1.73	1.80	836.88
b) Others				
Other Current Assets	308.61		264.09	
Less :- Provision	244.62		203.92	
		63.99		60.17
TOTAL		65.72		897.05

ADDITIONAL INFORMATION

- a) Other Current Assets of ₹308.61 lakhs (Previous Year ₹264.09 Lakhs) includes input GST credit of ₹55.05 lakhs which is expected to be adjusted against future GST liabilities.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 17 ISDS PROJECT (EXPENDITURE)

(₹ In Lakh)

		As at 31st March, 2019		As at 31st March, 2018	
A. ALEXANDRA					
Sl. No.	Particulars	Amount (Revenue Expenditure)	Amount In (Capital Expenditure)	Amount (Revenue Expenditure)	Amount In (Capital Expenditure)
1	Cost of 18 nos. Sewing machines (9 for Alexandra & 9 for National)	-	-	-	1.12
2	Transportation charges of Sewing Machine	-	-	-	0.02
3	Cost of Plaque for establishment of ISDS (Black granite cut & polished)	-	-	0.09	-
4	01 nos. C/M Kaisiman 8" Power Driven Cloth Cutting Machine	-	-	-	0.20
5	Cost of Plaque for establishment of ISDS (Black granite cut & polished)	-	-	0.09	-
6	Purchasing of chair, Computer table, bench	-	-	-	0.30
7	Cost of Misc. Printing & Stationary Items	-	-	0.06	-
8	Cost of ID card	-	-	0.05	-
9	Civil Repairing & Painting	-	-	0.07	-
10	Conveyance, tea, refreshment, sweets, flower, bukey, velvet, stick, soap, escort of MP, band party inauguration of ISDS on 19/02/2016, xerox, cost of cup & glass set (This Expenses incurred from imprest of ₹ 32,000/- given to unit)	-	-	0.28	-
11	Cost of Scanner (01 no.) & Cost of White Board (01) no.	-	-	-	0.04
12	Cost of Flex Board	-	-	0.06	-
13	Cost of hiring of decorating goods	-	-	0.19	-
14	Cost of hiring Electrical Goods	-	-	0.06	-
15	Cost of installation of internet	-	-	0.03	-
16	Cost of 01 no Attendance Biometric Machine	-	-	-	0.35
17	Cost of 01 No. water purifier	-	-	-	0.10
18	Civil repairing & Renovation work	-	-	1.56	-
19	Training fees for ISDS	-	-	1.22	-
20	Stipend of ISDS Trainees	-	-	0.87	-
	Total (A)	-	-	4.62	2.13



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 17 ISDS PROJECT (EXPENDITURE) (CONTD.)

(₹ In Lakh)

		As at 31st March, 2019		As at 31st March, 2018	
B. NATIONAL					
Sl. No.	Particulars	Amount (Revenue Expenditure)	Amount In (Capital Expenditure)	Amount (Revenue Expenditure)	Amount In (Capital Expenditure)
1	Cost of 18 nos. Sewing machines (9 for Alexandra & 9 for National)	-	-	-	1.12
2	Transportation charge for sewing machine	-	-	-	0.03
3	01 nos. C/M Kaisiman 8" Power Driven Cloth Cutting Machine	-	-	-	0.20
4	Cost of 1 No. Pvc White Board, Febric	-	-	0.04	-
5	For setting up ISDS traning	-	-	0.05	-
6	Purchasing of Chair, tool, stand fan for classroom	-	-	-	0.23
7	Cost of sweets	-	-	0.05	-
8	Cost of ID card	-	-	0.02	-
9	Cost of various expenses (cost of sweets, tea, flower, hire charges of coffee machine etc) inaugaration of ISDS on 19/02/2016 (balance amount) after adjusting of advance of ₹ 32,000/-	-	-	0.02	-
10	Boring work (500 ltrs. Water storage tank) with other material	-	-	0.45	-
11	Cost of fan, tube light,switch board etc	-	-	-	0.58
12	Painting, Repairing, Cleaning, Distempering Regarding Inaugaration of ISDS Programme	-	-	1.24	-
13	Cost of 01 no. Assembled Desktop computer, 01 no. power extension board, 01 no. UPS 600 va	-	-	-	0.26
14	Cost of 01 no Attendance Biometric Machine	-	-	-	0.35
15	Cost of 01 No. HP make Scanner	-	-	-	0.03
16	Hiring charges for video conference between Kinnison and National	-	-	0.04	-
17	Cost of electrical item	-	-	0.06	-
18	Training fees for ISDS	-	-	1.24	-
19	Stipend of ISDS Trainees	-	-	0.51	-
20	Local travelling expenses in Delhi and cost of dongle & sim	-	-	0.02	-
	Total (B)	-	-	3.74	2.80



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 17 ISDS PROJECT (EXPENDITURE) (CONTD.)

(₹ In Lakh)

		As at 31st March, 2019		As at 31st March, 2018	
C. KINNISON					
Sl. No.	Particulars	Amount (Revenue Expenditure)	Amount In (Capital Expenditure)	Amount (Revenue Expenditure)	Amount In (Capital Expenditure)
1	30 Pcs. of chairs	-	-	-	0.12
2	Cost of Plaque for establishment of ISDS (Black granite cut & polished)	-	-	0.09	-
3	Cost of Plaque for establishment of ISDS (Black granite cut & polished)	-	-	0.09	-
4	Cost of 01 No. Cutting machine	-	-	-	0.20
5	Cost of 09 Nos. Sewing Machine	-	-	-	1.06
6	Transportation charges of Sewing Machine	-	-	-	0.02
7	Renovation & Upgradation work of 02 Nos. toilets and room (Guest House)	-	-	0.25	-
8	Renovation & Upgradation work of 02 Nos. toilets and other sanitary work (Mess Kuthi)	-	-	0.40	-
9	Supply of 100 plates Lunch & 200 Pkt Tiffin	-	-	0.35	-
10	Being Advance given for catering	-	-	0.05	-
11	For making of 10 nos. Wooden Bench for facility centre	-	-	-	0.09
12	Cost of register, marker, thinner	-	-	0.01	-
13	Cost of civil & electrical goods, conveyance, hammer, thinner, blue, needle cloth, capacitor, paint drill	-	-	0.10	-
14	Purchase of 32" LED TV	-	-	-	0.19
15	Purchase of Paints, primer etc	-	-	0.06	-
16	Purchase of Paints, primer etc	-	-	0.02	-
17	Cost of 09 nos. Sticking Machine & 01 No. Large Hook Machine	-	-	-	2.90
18	Freight charges	-	-	0.02	-
19	Projector Screen & Projector	-	-	-	0.35
20	Creative Speaker	-	-	-	0.02
21	Cost of banner, lime powder, laddu, photograph, tiffin, dress, decorator, video conferencing	-	-	0.40	-
22	Cost of 01 no. Desktop Computer, 01 no. Power Extension Board, 01 no. UPS 600 VA	-	-	-	0.25
23	Cost of 01 no. White Board	-	-	-	0.01
24	Cost of 01 no Attendance Biometric Machine	-	-	-	0.35
25	Cost of Webcam, Speaker & Dongle	-	-	-	0.02
26	Set & maintenance cost of technician	-	-	0.03	-
27	Fees for master trainer & cost of files and xerox	-	-	0.02	-
28	Stipend of ISDS Trainees	-	-	1.87	-
29	Cost of Towel, Ribbon, Wall Clock etc.	-	-	0.01	-
30	Expenses booked is reversed	-	-	(0.02)	-
	Total (C)	-	-	3.73	5.56



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 17 ISDS PROJECT (EXPENDITURE) (CONTD.)

(₹ In Lakh)

		As at 31st March, 2019		As at 31st March, 2018	
D. CORPORATE					
Sl. No.	Particulars	Amount (Revenue Expenditure)	Amount In (Capital Expenditure)	Amount (Revenue Expenditure)	Amount In (Capital Expenditure)
1	Car hire charge of D(F)	-	-	0.02	-
2	Car hire chares of Joint Secretary (MOT) for inaugaration of ISDS	-	-	0.09	-
3	expenses incurred for visiting to Delhi for ISDS related matter	-	-	0.06	-
	Total (D)	-	-	0.17	-
	Total (A+B+C+D)	-	-	12.26	10.50
	TOTAL	-	-	-	22.76



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 18 REVENUE FROM OPERATIONS

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sale of Jute Products	-	-
Other Operating Revenue	-	-
TOTAL	-	-

ADDITIONAL INFORMATION

The three revival mills namely Kinnison, Khardah and RBHM (Katihar) remained inoperative since mid of 2016. In line with the erstwhile BIFR GOI has taken a decision to close National, Union and Alexandra mills. So there is no revenue from operation for the F.Y. 2017-18 and 2018-19.

NOTE - 19 OTHER INCOME

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a) Interest Income		
Interest from Banks on Fixed Deposit	1,262.04	1,726.00
Interest income on Loan to Subsidiary	92.79	78.30
	1,354.83	1,804.30
b) Other Non-operating Income	20.93	19.53
TOTAL	1,375.76	1,823.83

ADDITIONAL INFORMATION

A) Govt of India has sanctioned interest free loan amounting to ₹48,362 lakhs for revival of NJMC Ltd. Out of that a sum of ₹41,571.41 lakhs has been released till 31.03.18. Unspent amount out of that has been invested in Term Deposit for the time being which has earned an interest amounting to ₹1726.00 lakhs (Previous Year ₹1726.00 lakhs) during the year. The same is being considered as Company's income consistently since 2011-12. ISDS fund of ₹144.00 lakhs released on 31st March'2016 has also been invested in Fixed Deposit. This interest is also included in the Interest income from Bank on Fixed deposit.

B) Interest income on loan to subsidiary company calculated on compound interest basis, whereas the same is calculated on simple interest basis by the subsidiary company. Reconciliation in this regards is pending for a long time.

A) Other Non-operating Income comprises of				
i) Adjustment on Depreciation Against Govt. Grant	0.10		0.10	
ii) Interest from CESC	0.58		2.63	
iii) Miscellaneous Income	20.25		16.87	
iv) Others	-	20.93	0.03	19.63
TOTAL		19.53		245.80



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 20 COST OF RAW MATERIALS CONSUMED

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Opening Stock	138.57	138.57
Add :- Purchase	-	-
	<u>138.57</u>	<u>138.57</u>
Less: Jute Loss	-	-
Less :- Closing stock	<u>138.57</u>	<u>138.57</u>
Cost of Raw Materials Consumed (Including Process Loss)	<u>-</u>	<u>-</u>

ADDITIONAL INFORMATION

- i) Raw Materials consumed comprises :-
Raw Jute
- ii) Indegenous

- 100%

The three revival mills namely Kinnison, Khardah and RBHM (Katihar) remained inoperative since mid of 2016. In line with the erstwhile BIFR GOI has taken a decision to close National, Union and Alexandra mills. So there is no consumption of Raw materials.

NOTE - 21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROCESS

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Inventories at the beginning of the year		
Finished Goods	199.48	199.48
Work in Process	63.38	63.38
	<u>262.86</u>	<u>262.86</u>
Adjustment of Stock	-	-
	<u>262.86</u>	<u>262.86</u>
Inventories at the end of the year		
Finished Goods	199.48	199.48
Work in Process	63.38	63.38
	<u>262.86</u>	<u>262.86</u>
Net increase / (decrease)	-	-
TOTAL	<u>-</u>	<u>669.83</u>

NOTE - 22 EMPLOYEE BENEFITS EXPENSES

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries	79.57	108.59
Contribution to Provident Fund & Other Fund	0.74	1.44
Gratuity	3.33	8.03
Staff Welfare Expenses	0.34	0.96
TOTAL	<u>83.98</u>	<u>119.02</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 23 FINANCE COSTS

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on Borrowings from Govt. of West Bengal	32.39	32.39
Interest on Bank Overdraft	-	0.01
TOTAL	32.39	32.40

NOTE - 24 OTHER EXPENSES

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a) Manufacturing Expenses		
Power and fuel (Electricity)	34.62	46.58
Repairs and Maintenance - Buildings	0.04	0.10
Repairs and Maintenance - Machinery	2.71	3.35
Repairs and Maintenance - Others	0.69	2.85
	38.06	52.88
b) Administrative Expenses		
Rent	16.78	16.78
Rates and taxes	60.21	130.85
Insurance	14.38	15.56
Security Expenses	246.33	271.84
Professional Charges	2.00	3.15
Car Hire Charges	1.74	5.85
Travelling and Conveyance	6.50	5.84
Communication	0.90	1.15
Printing and stationery	0.92	0.98
Digitalization Charges	0.71	1.82
Provision for TDS	393.92	-
Legal Charges	13.65	1.91
Bank Charges	0.09	0.10
Provision for doubtful trade and other receivables	168.27	154.76
Provision for Input GST	40.70	-
Prior period Items(Net)	26.33	6.06
Miscellaneous expenses	8.44	10.74
Advertisement	0.79	0.91
	1,002.65	628.31



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2019.

NOTE - 24 OTHER EXPENSES (CONTD.)

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Auditors Remuneration :		
i) Statutory Audit Fees	1.37	1.37
ii) Tax Audit Fees	0.45	0.45
iii) Cost Audit Fees and Maintenance of Cost Records	-	-
iv) Others Audit Fees	0.79	4.80
	<u>2.61</u>	<u>6.62</u>
TOTAL	1,043.32	687.81

ADDITIONAL INFORMATION

i) Prior Period items includes (Net)		
Prior Period Expenses	26.33	6.08
Less : Prior Period Income	-	0.01
TOTAL	26.33	6.07

NOTE - 25 EARNING PER SHARE

(₹ In Lakh)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit / (Loss) after tax as per Statement of Profit and Loss (₹ In Lakh)	145.93	919.41
Weighted average Number of equity share	557974	557974
Earnings per share (₹) - Basic	26.15	164.78
Earnings per share (₹) - Diluted	26.15	164.78



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019.

NOTE - 26

- 1) Government of India has approved the closure of NJMC Ltd. on 10.10.2018. As per the directive of the competent authority, the closure has to be made in accordance with the DPE Guidelines issued vide O. M. No. DPE/5(1)/2014-Fin(Part-I) on 14.06.2018.

In line with the directive, Rs. 20,000 Lakhs has been refunded to Government of India towards the repayment of Interest free loan and NBCC (India) Ltd. has been appointed as Land Management Agency (LMA) and M/S, MSTC Ltd. has been appointed as E-Auctional agency for disposal of Plant & Machinery etc. with approval of Board of Directors of NJMC Ltd. Process of closure in line with the DPE Guidelines dated 14.06.2018 is under progress.

- 2) These Financial Statements incorporate the Accounts pertaining to the Units of Corporate Office and 6 mills of the company viz Kinnison, RBHM, Khardah, National, Union and Alexandra.
- 3) Related Party Transactions
- i) Details of Parties :

Description of Relationship	Name of related Parties
Subsidiary	Birds Jute & Exports Limited
Key Managerial Personnel	Sri Sanjay Rastogi

Note :- Related parties have been identified by the Management

- ii) Details of related party transaction during the year ended 31 March 2019 and balances outstanding as at 31 March 2019 :

- a) With subsidiary company: (₹ In Lakh)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Opening Balance of loan to Subsidiary as on 01-04-2018	4,576.16	4,497.86
Transactions during the year	-	
Interest charged	92.79	78.30
Closing Balance as on 31-03-2019	4,668.95	4,576.16

Provision against the above balance is mentioned in note no. 15(a)

- b) Key Managerial Personnel : Financial transactions with key Managerial Personnel during the year is ₹ Nil (Previous Year ₹ Nil lakhs)

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

Particulars	Current Year	Previous Year
Remuneration	0.00	0.00
Contribution to P.F. Fund	0.00	0.00
Gratuity	0.00	0.00

(₹ In Lakh)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
5) Expenditure in Foreign Currency	Nil	Nil



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019.

NOTE - 26 Condt.....

- 6) The Company's operations pertain to manufacture and selling of single Jute Product for sale in the Domestic Market only. As such reporting under Accounting Standard 17 (Segment reporting under Section 133 of Companies Act 2013) is not applicable.
- 7) 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 is required due to accumulated losses of the Company.
- 8) The Company has not assessed the Impairment loss on its fixed assets as per Accounting Standard 28.
- 9) Contingent liabilities and commitments not provided for

(₹ In Lakh)

Sl. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
A) Contingent Liabilities			
i)	Claims against the Company not acknowledged as debt towards Central Excise for Unit Kinnison	21.35	21.35
ii)	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
iii)	Guarantee issued to Sales tax Authority by the banks on behalf of the Company	0.50	0.50
iv)	Claim against the Company by the West Bengal Commercial Tax Authority And Bihar Commercial Tax Authority as regards non-submission of "C" forms, not acknowledged by the Company as debt and preferred appeal accordingly. (Financial Year 2011-12 Kinnison Rs. 0.002 Lakh, Khardah- Rs. 2.88 Lakh, Financial Year 2012-13 Kinnison - Rs. 43.96 Laacs, Khardah - Rs. 33.83 lakh, Financial Year 2013-14 Kinnison - Rs. 67.02 Lakh, Khardah - Rs. 36.13 Lakh & Financial Year 2014-15 Kinnison - Rs. 27.47 Lakh, Khardah - Rs. 5.71 Lakh, Financial Year 2015-16 kinnison - Rs. 3.18 Lakh)	220.18	412.96
v)	Service Tax demand	0.10	0.10
vi)	This amount was paid to PAO(DGMS), Dhanbad, towards appeal case of Mr. Sheo Kumar Shukla for unit. This amount is refundable after decision	-	2.62
vii)	Balance with Bank of India Rs.18.10 lacs and balance with Indian Bank Rs.1.87 lacs attached by Certificate Officer, Gratuity & Provident Fund Commissioner respectively for recovery of their dues	19.97	19.97

NATIONAL JUTE MANUFACTURES CORPORATION LTD.



viii)	<p>Claim against the Company by the Income Tax Authority as per the CPC website as on date is Rs. 436.80 Lakh. The matter has been taken up with Jurisdictional Income Tax Authority who informed that they do not have any knowledge regarding the demand and advised us to take up the matter with CPC-Bangalore. Accordingly NJMC Ltd. sought the clarification under RTI Act. 2005. NJMC Ltd. is yet to receive any reply.</p> <p>In addition to above in the portal of CPC-Bangalore shows a demand on TDS of Rs. 3.21 Lakh relating to previous year but there is no manual demand from Jurisdictional Assessment Officer. Accordingly the Company does not acknowledge the same as on date and the same in being taken up with CPC-Bangalore.</p>	440.01	-
B) Commitments		-	-
Total		703.08	458.47

9) Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year figures

Significant Accounting Policies
Notes forming integral part of the
Financial Statements

For Gupta & Co.
Chartered Accountants
Registration No.301028E

Arnab Deb
Partner
Membership No. 062018

Date: 20.09.2019
Place: Kolkata

(Mr. Vijoy Kumar Singh)
Director

For and on behalf of the Board

(Mr. Sanjay Rastogi)
Chairman-cum-Managing Director

(Malini Mahapatra)
Company Secretary



Registered Office:

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