

R. K. PATODI & CO.

CHARTERED ACCOUNTANTS

2, Church Lane, 4th Floor, Suite No. 404A, Kolkata-700 001

Ph. No. : 2230-3160/2243-0913

e-mail : rkpatodi@gmail.com

Independent Auditors' 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, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the Financial Statements, including 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 March 31, 2020, its loss and cash flows for the year ended on that date.

Basis for Qualified Opinion

A) Going Concern Assumption:

The accounts have been drawn up on 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 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 14.06.2018 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



- 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 reduced significantly.
- c) The Financial Statements indicate that the company's current and non-current liabilities exceeded its total assets by Rs.22259.31(P.Y.Rs.22,197.50) lakhs. The mills were not in operation throughout the year and there has been a constant reduction in the strength of staff.
- These factors confirm the inability of the company to continue as a going concern and to 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/ market price. Most of the inventories are being carried forward since long and there is no movement in inventory for a number years. The relevant cost details and the basis of determination of net realizable value/market price were not made available to us and hence it is not possible to ascertain whether AS-2 has been complied with. Moreover, age-wise analysis of inventory as well as identification of obsolete and non-marketable inventories has not been ascertained. Hence it is not possible to determine whether the carrying value of inventory represents its fair value.

B.2 Accounting Standard-9 - Revenue Recognition:

The Company has recognized interest income of Rs.88.25 lakhs from loan to its subsidiary and at the same time provision has been made in the accounts for the interest receivable net off TDS. The subsidiary company has defaulted in making payment of loan amount and interest to the extent of Rs. 4739.09 lakhs upto 31/03/2020. Moreover, the Union cabinet has also approved the closure of Birds Jute & Exports Ltd on 10th October, 2018. In view of significant uncertainty in the ultimate collection, interest income should not have been recognized as revenue as per (AS) 9 "Revenue Recognition" in our opinion.

B.3 Accounting Standard-21 - Consolidated Financial Statements :

The Company has 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'.

B.4 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.



B.5 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 been stopped at the mills from the financial year 2016-17 where revival scheme failed. However, no disclosures have been made about discontinuance of operations in the notes to the financial statements as required by (AS) 24, 'Discontinuing Operations'.

B.6 Accounting Standard-28 – Impairment of Assets:

No accounting policy has been stated with regard to Impairment of Assets. Though the mills of the company were not in operation during last few years, none of the assets have been impaired and loss accounted for in accordance with AS 28.

B.7 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 which are pending for a long time. However, the company has neither assessed nor disclosed the contingent liability against those litigations as at the Balance Sheet date as required under AS 29 'Provisions, Contingent Liabilities and Contingent Assets'.

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

C.1 Property, Plant & Equipment & Depreciation

a) 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 of the Company having WDV of Rs 637 are lying with a third party since Nationalization. But the Company has not ascertained the actual existence of those machineries as on the balance sheet date.

c) As disclosed in Note 10(4), 'Land & 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, 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 4.45 Lakhs for Municipal Taxes during financial year 2019-20 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 future usage/reconditioning is negligible, in respect of Khardah & RBHM Katihar, these assets are of same condition, but the chances of their usage is moderate and 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 lakhs 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 172.91 lakhs as on 31/03/2020. Though the Plant & Machinery of four mills, excepting Union & RBHM mills, have been physically verified during 2019-20 but no reconciliation in respect of assets physically verified with Fixed Assets register have been carried out and hence discrepancies, if any, as on Balance Sheet date has not been ascertained & accounted for.

e) During 2018-19, Land belonging to six mills of NJMC viz. Khardah, Kinnison, Alexandra, National and Union in West Bengal and RBHM in Katihar, Bihar including Bungalow at 5A, Alipore Road and guest house in Kalimpong have been valued by a Government registered Chartered valuation Surveyor, 'Associate Valuers' and identified the total area as 325.89 acres including encroached 86.035 acres, total Market Value of which is Rs. 203634.05 Lakhs including for encroached land Rs 58345.82 Lakhs. However, the effect of such valuation and encroachment of the company's property has not been given in the books of account.

This valuation is much higher than the value of Land as per accounts which are Rs 605.59 lakhs. As already pointed out above in Para A above on Going Concern assumption, NBCC (India) Limited has been appointed as Land Management Agency (LMA). As informed to us the LMA has submitted their draft report on their work of verification, assessment and valuation of assets but the final report is still pending.

e) The Title Deeds of the land at various location though made available to us but could not be thoroughly verified and linked with the fixed asset register . 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 but the updation is still pending as on 31st March, 2020.

C.2 Investments:

Refer Note 11 includes investments, for which copies of share scripts etc could not be made available to us for verification. However, full provision have been made.



C.3 Inventories:

In addition to what has been stated in para B.1, though physical verification of Inventory has been conducted at Kinnison, Khardah, RBHM units of the Company by external stock auditors, but in absence of updated inventory records, no comparison of inventory verified with stock records could be done and valuation on the date of Balance Sheet could be completed on the basis of such verification.

C.4 Cash and Bank Balances:

Bank balances in current accounts include Rs 91,523 lying with UCO Bank Titagarh Branch, which was a dormant account as on balance sheet date.

C.5 Short Term Loans & Advances

- a) Since the party wise details, age-wise analysis and other relevant information are not made available to us for deposits of Rs 179.24, considered good, it is not possible to determine how much of such security deposits are actually good and realizable.
- b) Though the TDS aggregating to Rs 1113.19 Lakhs has been shown as considered doubtful, provision against the same has been made for Rs 408.77 Lakhs only. The refund determined for earlier years has been adjusted by the Income Tax department against arrear demand for the assessment year 1990-91. The outstanding demand summary of the company with the Income Tax department is still showing a demand of Rs 289.47 lakhs payable for the said assessment year towards interest. We have been informed that the company is trying to obtain necessary information and documents in respect of the demand raised for the said assessment year and necessary adjustment /further provision will be made after receiving necessary documents/information.
- c) Unsecured interest free loan granted to Handicrafts and Handlooms Exports Corporation of India having outstanding balance of Rs 1078.21 lakhs as on 31st March, 2020 has been shown by the company as Short Term Loans & Advances. Since the amount is repayable within 2 years from the date of disbursement of loan through sale of assets of the company, the amount should have been shown under the head Long Term Loans & Advances in our opinion.

C.6 Long Term Borrowings

- a) 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 including interest unpaid is Rs 1513.58 lakhs as on 31st March, 2020.
- b) No balance confirmation has been obtained by the company from the Central/ State Governments in respect of the above stated loans.



C.7 Trade Payables

a) Refer Note 7 on Trade Payables. This includes Creditors for Supplies amounting to Rs 2062.35 lakhs including Interest accrued on Sundry Creditors of Rs. 126.61 lakhs (which include dues of Micro, Small and Medium Enterprise of Rs. 112.58 lakhs including Interest of Rs 57.52 lakhs) which are being carried forward for a long time without any specific details. In the absence of party wise and invoice wise details, age-wise analysis confirmation of balances and other relevant details, it is not possible to ascertain how much of these liabilities are ultimately payable. In respect of Micro, Small and Medium Enterprise, no further liabilities have been identified and accounted for and up to date provision of interest has also not been ascertained and provided for.

b) Trade payables also include Rs 11.12 Lakhs lying in prior period Adjustment account on account of RBHM. In absence of any details in respect of this amount, proper adjustment/treatment of the same has not been made.

C.8 Other Current Liabilities

a) Statutory dues amounting to Rs 4727.18 lakhs appearing in Note 8 include damages amounting to Rs 3550.11 and Rs 592.24 claimed by ESI and Provident Fund authorities. These amounts are lying outstanding for a long time. It has been explained to us that pending approval for waiver, as sought for by the Company in accordance with BIFR approved scheme, no adjustments have been made in this regard.

b) Statutory liabilities also includes liability for Fringe Benefit Taxes Rs. 8.93lakhs, Interest on Professional Tax Rs 68.69 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) In the absence of party-wise details and other necessary information in respect of undisbursed claim of Commissioner of payment Rs 40.29 lakhs; Performance Guarantee Rs 57.47 lakhs, Security Deposit/EMDRs. 80.75 lakhs and Advance from parties Rs. 98.83, 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) Creditors for accrued wages and salaries of Rs.345.42include old outstanding aggregating to Rs.227.95 lakhs payable on account of VRS& arrear salary etc. In the absence of relevant information, it is not possible to ascertain how much of these liabilities are ultimately payable.

In view of the aforesaid observations, we are unable to determine the impact of these matters on the statement of affairs of the company and the corresponding impact on the Statement of Profit & Loss



Responsibilities of Management and Those Charged with Governance 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 that 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, 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Financial Statements

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 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 required 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 statement, 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 statement 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.



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 statement.

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 statement 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 factor in (1) planning the scope of our audit work and in evaluating the results of our work; and (2) 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 paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, based on our audit 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 the Statement of Cash Flow 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, 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, 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 our information and according to the explanations given to us:

a. In the absence of complete details, we are not in 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 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.

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 Company is carrying Interest Free loan, sanctioned by the Government of India as additional budgetary support for restructuring/revival of the Company as approved by Cabinet Committee of Economic Affairs (CCEA) and BIFR, as Long Term Borrowings

(b) The Company has obtained a Loan of Rs 281.48 lakhs from Government of West Bengal in earlier years, repayment of Loan and Interest on which have been defaulted in since 31st march 1994. The accumulated balance of Loan and Unpaid Interest is Rs 1513.59 lakhs as on 31.03.2020. In absence of loan documents, terms & conditions, adequacy of the interest provision made cannot be commented upon.


(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.

Place: Kolkata

Date: 18.12.2020

UDIN: 20059144AAAACW 5567

FOR R. K. PATODI & CO.
CHARTERED ACCOUNTANTS
FRN: 305091E


SIDDHARTHA PATODI
(PARTNER)
MEM. NO. 059144



Annexure- A to Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of National Jute Manufactures Corporation Limited (the company) on the Financial Statements for the year ended 31 March 2020,

We report that:

(a) The Company has maintained records of fixed assets which lack 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 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 the land at various location, though made available to us could not be thoroughly verified and linked with the fixed asset register for want of proper details. The landed property of three mills viz. Khardah, Kinnison and Alexandra continue to be in the name of erstwhile companies. We have been informed that representation has been made to the Additional District Magistrate & District Land & Land Reforms North 24 Paraganas, Barasat for updating the land records but the updation is still pending.

ii) Physical Inventory has been done by an external stock auditor. However, in the absence of proper inventory we are unable to comment whether any discrepancy was there between the physical inventory and book inventory.

Further, most of the inventories are very old and there is no movement of inventory for a number of years. Moreover, age-wise analysis of inventory as well as identification of obsolete, damaged and non-saleable inventories has not been done. The net realizable value of the inventories has also not been determined. Hence it is not possible to determine whether the carrying value of inventory represents the fair value and whether there exist any discrepancy.

iii. A) The Company had granted unsecured loan to its subsidiary, which amounted to Rs.4739.09 Lakhs as on 31.03.2020 including interest amounting to Rs. 3655.95 accrued till that date. The Union Cabinet has approved the closure of the said subsidiary company and consequently the said loan is being considered doubtful and the company is charging interest for the loan provided to its subsidiary and also making full provision for the same amount net of TDS as the amount is considered irrecoverable. The terms and conditions of the loan granted to its subsidiary were not made available to us and therefore, we are unable to comment whether the same were prejudicial to the interest of the Company. Besides, the company has also granted non-interest bearing loan to a



central public sector unit, the outstanding balance of which as on 31.03.2020 is Rs 10.78 Lakhs. As per terms of sanction, the said loan is repayable within a maximum period of two years from the date of disbursement of the loan from the sale proceeds of its assets. Apart from these, the Company has not granted any loan, secured or unsecured, to any Company, firm, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

b. The company is charging interest for the loan provided to its subsidiary and also making full provision for the interest net of TDS as the amount is considered irrecoverable.

c. The loan given to subsidiary together with interest remains overdue for more than 90 days. There is no recovery of loan and interest for several 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 loan, made investment, provided any guarantee or security, which attracts the provisions of section 185 and 186 of the Act.

v) The Company has not accepted any deposit 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 31st March, 2020 and therefore the provisions of clause 3(v) of the Order are not applicable to the company.

vi) During the year under review, the company was not engaged in any such activities which attract the maintenance of cost records under section 148 of the Act.

vii) A) According to the information and explanations given to us, the company was generally regular in depositing its undisputed statutory dues with the appropriate authorities. According to the information given to us, there were no undisputed statutory dues outstanding at the year-end 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 31st March, 2020 on account of dispute:

Nature of the Statute	Nature of Dues	Forum where dispute is pending	Amount Due (Rs.in lacs)	Period to which dues relate
Finance Act 1994	Service Tax	Deputy Commissioner, Service Tax	0.10	Very Old
West Bengal Value Added Tax, 2003	CST	Deputy Commissioner of Commercial Tax	220.18	2011-12 to 2016-17



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, 2020 for which details are not available:

- a) Provident Fund Rs.903.05 lakhs
- b) Employees State Insurance Rs.3727.35 lakhs
- c) Profession tax Rs.69.40 lakhs
- d) Fringe Benefit tax Rs. 8.92 lakhs
- f) VAT/CST Rs. 9.74lakhs

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 taken from Government of West Bengal amounting to Rs 1513.59 lakhs (including interest thereon Rs. 1232.11 lakhs) as on 31.03.2020. The company has made request for adjustment of principal amount against the compensation receivable by the company towards acquisition of land and conversion of Rs 922 Lakhs out of interest payable into a soft loan as disclosed in Additional Information to Note 4 of Financial Statements.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has 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 made available to us. Therefore, we are unable to comment whether the loans were applied for the purposes for which those were obtained.

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) The provisions contained in section 197 of the Companies Act, 2013 relating to payment of 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) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.




xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

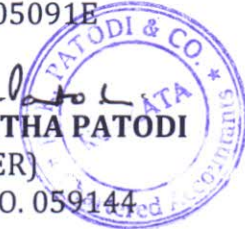
xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR R. K.PATODI & CO.
CHARTERED ACCOUNTANTS
FRN: 305091E


SIDDHARTHA PATODI
(PARTNER)
MEM. NO. 059144

Place: Kolkata
Date: 18.12.2020
UDIN: 20059144AAA BBN 5567



ANNEXURE - B

TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 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 on 31st March, 2020 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.

Auditors' 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 deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with 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 operated effectively in all material respects.

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 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 in accordance 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.

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 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 include 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 31.03.2020 is inadequate based on the internal control over financial reporting criteria as stated in 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 opinion on the financial statements of the company

FORR. K.PATODI & CO.
CHARTERED ACCOUNTANTS
FRN: 305091E

Place: Kolkata
Date: 18.12.2020
UDIN: 20059144AAA B6W 5567

S. Patodi
SIDDHARTHA PATODI
(PARTNER)
MEM. NO. 059144



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

Page - 1

BALANCE SHEET AS AT 31st March, 2020

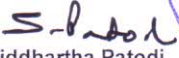
(Rs. In Lakh)

		Note no.	As at (Audited) 31st March, 2020		As at (Audited) 31st March, 2019	
(A) EQUITY AND LIABILITIES						
(1) Shareholders' Funds:						
	(a) Share Capital	2	5,579.74		5,579.74	
	(b) Reserves and Surplus	3	(27,839.04)	(22,259.30)	(27,777.24)	(22,197.50)
(2) Non-Current Liabilities						
	(a) Long-Term Borrowings	4	23,085.00		23,052.61	
	(b) Long-Term Provisions	5	11.52	23,096.52	23.35	23,075.96
(3) Current Liabilities						
	(a) Short-Term Borrowings	6	-		-	
	(b) Trade Payables	7	2,062.35		2,067.76	
	(c) Other Current Liabilities	8	5,615.57		5,652.82	
	(d) Short-Term Provisions	9	189.08	7,867.00	189.08	7,909.66
TOTAL				8,704.21		8,788.12
(B) ASSETS						
(1) Non-Current Assets						
	(a) Property, Plant and Equipment					
	(i) Tangible Assets	10	957.90		1,003.60	
	(ii) Capital Work-in-Progress	10	-	957.90	-	1,003.60
	(b) Non-Current Investments	11	-		-	
(2) Current Assets						
	(a) Inventories	12	627.31		627.31	
	(b) Trade Receivables	13	-		-	
	(c) Cash And Bank Balance	14	4,994.34		5,188.30	
	(d) Short-Term Loans and advances	15	1,964.36		1,903.19	
	(e) Other Current Assets	16	160.29		65.72	
	(f) ISDS Project	17	-		-	
TOTAL				7,746.31		7,784.52
				8,704.21		8,788.12

Summary of Significant Accounting Policies
Notes forming integral part of Financial Statements

1
1-26

For R.K.Patodi & Co
Chartered Accountants
Registration No.305091E


Siddhartha Patodi
Partner
Membership No. 059144
UDIN: 20059144AAA BBW 5567




Place : Kolkata
Date : 18.12.2020

For and on behalf of the Board


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




(Malini Mahapatra)
Company Secretary
Membership No: A39997

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

Page - 2

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH' 2020

(Rs. In Lakh)

	Note no.	For the period ended 31st March 2020 Audited	For the period ended 31st March 2019 Audited
INCOME			
1 Revenue from Operations	18	-	-
2 Other Income	19	549.46	1,375.76
3 Total Revenue (1 + 2)		549.46	1,375.76
4 EXPENSES			
(a) Cost of Raw Materials Consumed	20	-	-
(b) Change in Inventories of Finished Goods and Work-in-Process	21	-	-
(c) Employee Benefits Expenses	22	78.42	83.98
(d) Finance Costs	23	32.39	32.39
(e) Depreciation and Amortisation Expenses	10	46.18	70.14
(f) Other Expenses	24	454.20	1,043.32
Total Expenses (a+b+c+d+e+f)		611.19	1,229.84
5 Profit/(Loss) before exceptional and extraordinary items and tax (3-4)		(61.72)	145.93
6 Exceptional Items		-	-
7 Profit/(Loss) before extraordinary items and tax (5+6)		(61.72)	145.93
8 Extraordinary Items		-	-
9 Profit/ (Loss) before tax (7-8)		(61.72)	145.93
10 Tax Expense		-	-
(a) Current Tax		-	-
(b) Deferred Tax		-	-
11 Profit (Loss) for the year (9+10)		(61.72)	145.93
12 Earning per Equity Share (In Rs. For an equity Share of Rs. 1,000/- each)			
Basic	25	(11.06)	26.15
Diluted	25	(11.06)	26.15

Summary of Significant Accounting Policies
Notes forming integral part of Financial Statements

1
1-26

For R.K.Patodi & Co
Chartered Accountants
Registration No.305091E

S. Patodi
Siddhartha Patodi
Partner
Membership No. 059144
UDIN: 20059144AAA66N5567

Place : Kolkata
Date : 18.12.2020



For and on behalf of the Board

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

Malini Mahapatra
(Malini Mahapatra)
Company Secretary
Membership No: A39997

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. In Lakh)

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
A. Cash Flow from Operating Activities				
Net Profit / (Loss) before extraordinary item and Tax.		(61.72)		145.93
Adjustments for:				
Interest on Borrowings	32.39		32.39	
Depreciation	46.18		70.14	
Prior Period Depreciation	0.14		-	
Interest Income	(403.86)		(1,262.04)	
Adjustments for Govt. Grant (Reserve)	(0.10)	(325.26)	(0.10)	(1,159.61)
Operating Profit before Working Capital Change		(386.98)		(1,013.68)
Change in Inventories	-		-	
Decrease Trade Receivables	-		71.27	
Increase in Short Loan & Advances	(61.18)		(733.94)	
Increase in Other Current Assets	(94.57)		831.33	
Decrease in Trade Payables	(5.41)		37.65	
Decrease in Other Current Liabilities	(37.24)		(104.30)	
Decrease in Long term Provisions	(11.83)		-	
ISDS Fund expenditure	-		22.76	
Net Cash Flow from working capital changes		(210.23)		124.77
Net Cash from Operating Activities (A)		(597.20)		(888.91)
B. Cash Flow from Investing Activities				
(Increase)/ Decrease in Fixed Deposits	2,852.98		16,539.82	
Purchase of Fixed Assets	(0.62)			
Interest on Fixed Deposits	403.86	3,256.23	1,262.04	17,801.86
Net Cash from Investing Activities (B)		3,256.23		17,801.86
C. Cash Flow from Financing Activities				
Interest paid on borrowings		(32.39)		
Availment of long Term Borrowings		32.39		(20,000.00)
Net cash from Financing Activities (C)		0.00		(20,000.00)
Net Inc. / (Dec.) in Cash & Cash Equivalents (A+B+C)		2,659.03		(3,087.05)
Cash and Cash Equivalents at the beginning of the year		807.66		3,894.71
Cash and Cash Equivalents at the end of the year		3,466.69		807.66

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
a) Component of Cash and Cash Equivalents				
Balance with Bank				
(i) In current account	1,201.72		176.42	
(ii) In fixed deposit account (Maturity less than 3 months)	2,264.63	3,466.35	631.10	807.52
(iii) Cash in hand		0.34		0.14
		3,466.69		807.66

Summary of Significant Accounting Policies
Notes forming integral part of Financial Statements

1
1-26

For R.K.Patodi & Co
Chartered Accountants
Registration No. 305091E

S. Patodi
Siddhartha Patodi
Partner
Membership No. 059144
UDIN: 20059144AAAABCN 5567

Place : Kolkata
Date : 18.12.2020

For and on behalf of the Board

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

(Malini Mahapatra)
Company Secretary
Membership No: A39997



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page-4

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

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 PROPERTY, PLANT & EQUIPMENT

1.2.1 Fixed Assets are stated at cost/revalued amount in case certain items of fixed assets which were revalued during the financial year 1997-98. Fixed assets acquired at the time of nationalisation are being stated at their book value on the date of nationalisation.

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 fixed assets were procured long back and the useful life has already been exhausted, no further depreciation is being provided on those fixed assets as their book value has already been reduced to 5% or lower residual value.

1.3 INVESTMENTS

Investments are carried at book value as on the date of nationalisation or at cost of acquisition in respect of investments made afterwards, as well as the cost of procurement of Investments afterwards. Out of the total investments, documents in respect of investments made in various Government authorities, Britannia Engineering Co Ltd. and J.F. Low & Co. Ltd. are not traceable since long.

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 or realisable value whichever is lower.

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 generation of Paid Delivery Order. Other income is accounted on accrual basis.

1.6 CONTINGENT AND OTHER LIABILITIES

When the demands are raised against show cause notices issued by Government / Revenue Authorities, after considering Company's views, these demands are either paid or treated as liabilities, if accepted by the Company and are treated as contingent liability, if disputed by the Company.



1.7 RETIREMENT BENEFITS

1.7.1 Gratuity: Liability for gratuity 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

(Rs. In Lacs)

	As at 31st March, 2020	As at 31st March, 2019
AUTHORISED		
600000 Equity Shares of Rs. 1,000/- each (Previous Year 600000 Equity Shares)	6000.00	6000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
557974 Equity Shares of Rs. 1,000/- each (Previous Year 557974 Equity Shares)	5579.74	5579.74
TOTAL	5579.74	5579.74

ADDITIONAL INFORMATION

- a) Out of total 557974 shares, 366000 Equity Shares of Rs. 1,000/- each were allotted as fully paid up shares against Nationalization Adjustment Account, without payment having been received in cash.
- b) There has been no change / movement in number of shares outstanding as at the beginning and as at the end of the year.
- c) The Company has only one class of Equity Shares having face value of is Rs. 1,000/- per 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, 2020		As at 31st March, 2019	
	No. of Shares	(%)	No. of Shares	(%)
Honourable President of India	557972	99.99	557972	99.99



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

NOTE- 3 RESERVES AND SURPLUS

	(Rs. In Lakh)	
	As at 31st March, 2020	As at 31st March, 2019
Capital Reserve		
Against Government Grants		
Opening Balance	1.09	1.19
Add :- Addition / Transferred during the year	-	-
Less :- Utilised / Transferred during the year	<u>0.10</u>	<u>0.10</u>
Closing Balance	0.99	1.09
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	(28,220.11)	(28,366.07)
Balance in Statement of Profit and Loss	<u>(61.72)</u>	<u>145.93</u>
Closing Balance	(28,281.84)	(28,220.11)
TOTAL	<u>(27,839.04)</u>	<u>(27,777.21)</u>

ADDITIONAL INFORMATION

Capital Reserve

- | | | |
|---|-------------|-------------|
| a) Against balance of grant received from Bihar Government, amounting to Rs. 150 Lakhs, in 1988-89 for acquiring Fixed Assets after adjustment of depreciation on the assets so procured out of the above funds in respect of RBHM. | 0.87 | 0.97 |
| b) Against balance of grant received from IJIRA, amounting to Rs. 5.44 Lakhs, in 1988-89 for installation of Ring Spinning Frame under UND Project after adjustment of depreciation on the assets so procured out of the above funds in respect of Unit Kinnison. | | |
| c) Subsidy of Rs. 0.01 Lakh being the balance of grant received from WB Industrial Development Corporation Limited in 1982-83 amounting to Rs. 6.97 Lakh for installation of captive 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. | <u>0.11</u> | <u>0.11</u> |
| | <u>0.99</u> | <u>1.09</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>



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page- 7

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE- 4 LONG TERM BORROWINGS

	As at 31st March, 2020	(Rs. In Lakh) As at 31st March, 2019
A) Other loans and advances (Unsecured)		
i) From Government of India	21,571.41	21,571.41
ii) From Government of West Bengal	281.48	281.48
iii) Interest accrued and due on borrowings from Government of West Bengal	1,232.11	1,199.72
TOTAL	23,085.00	23,052.61

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 :

	As at 31st March, 2020		As at 31st March, 2019	
	Period of default	Amount (Rs. In Lakhs)	Period of default	
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	1,232.11	Since 31.03.1994	1,199.72
TOTAL		1,513.59		1,481.20

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

i) Adjustment of Principal Amount of Rs. 281.48 Lakhs above against compensation receivable for acquisition of Land by them as referred to in Additional Information 3 in Note 10 on Fixed Assets and

ii) Conversion of accrued interest of Rs. 922 Lakhs included in the above Interest amount of Rs. 1232.11 Lakhs (P. Y. Rs. 1199.72 Lakhs) into a Soft Loan in accordance with BIFR Approved Scheme.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE- 5 LONG TERM PROVISIONS

	As at 31st March, 2020	(Rs. In Lakh) As at 31st March, 2019
Provision for Employee Benefits		
i) Provision for Leave encashment	-	11.83
ii) Provision for Gratuity	11.52	11.52
TOTAL	11.52	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

	As at 31st March, 2020	(Rs. In Lakh) As at 31st March, 2019
TOTAL	-	-

NOTE- 7 TRADE PAYABLES

	As at 31st March, 2020	(Rs. In Lakh) As at 31st March, 2019
i) Creditors for supplies	1,935.74	1,941.15
ii) Interest accrued on Trade Payables	126.61	126.61
TOTAL	2,062.35	2,067.76

ADDITIONAL INFORMATION

- a) 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	57.52	57.52
TOTAL	112.58	112.58



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

Page- 9

NOTE - 8 OTHER CURRENT LIABILITIES

	As at 31st March, 2020	(Rs. In Lakh) As at 31st March, 2019
i) Statutory Dues (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, Vat, Service Tax, Interest on PF etc.)	4727.18	4755.66
ii) Undisbursed claim of Commissioner of Payments	40.29	40.29
iii) Performance Guarantee	57.47	57.47
iv) Security Deposit/EMD	80.75	76.85
v) Provision for Interest on ISDS Fund	19.02	19.02
vi) Advance from Parties	98.83	98.83
vii) Property Tax/ Municipal Tax & Service Charge	246.60	261.17
viii) Creditors for accrued wages and salaries	345.42	343.53
TOTAL	<u>5,615.57</u>	<u>5,652.82</u>

ADDITIONAL INFORMATION

- a) Statutory Liabilities includes damages amounting to Rs. 3550.11 Lakhs(Previous Year Rs.3550.11 Lakh) and Rs. 592.24 Lakhs (Previous Year Rs.592.24 Lakh) 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 Dues also includes Fringe Benefit Tax amounting to Rs. 8.93 Lakhs(Previous Year Rs. 8.93 lakh), Interest on Professional tax Rs. 68.69 Lakhs(Previous year Rs.68.69 lakh). & Interest on Municipal Tax Rs. NIL (Previous Year Rs.28.46 Lakh) 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.
- | | (Rs. In Lakh) | (Rs. In Lakh) |
|--------------|---------------|---------------|
| Principal | 57.33 | 52.88 |
| Penalty | 7.21 | 7.21 |
| Interest | 38.58 | 38.58 |
| Total | <u>103.12</u> | <u>98.67</u> |
- d) Property Tax for all units except 5, Alipore Road Property mentioned above have been paid during the year, except interest on property tax on RBHM Mill of Rs. 371448.
- e) Creditors for accrued wages and salaries include old outstanding aggregating to Rs. 227.95 Lakhs payable on account of VRS and arrear salaries etc which are still under reconciliation.

NOTE- 9 SHORT TERM PROVISIONS

	As at 31st March, 2020	(Rs. In Lakh) As at 31st March, 2019
Provision for Contingency (On account of Gratuity payable to workmen after reconciliation)	189.08	189.08
TOTAL	<u>189.08</u>	<u>189.08</u>



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE- 10 PROPERTY, PLANT AND EQUIPMENT

Tangible Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 31st March, 2019	Addition(+)	Deduction(-)	As at 31st March, 2020	Upto 31st March, 2019	For the Year	Prior Period Adjustment	Upto 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
(a) Land -Freehold	605.59	-	-	605.59	-	-	-	-	605.59	605.59
(b) Buildings & Roads	1,003.41	-	-	1,003.41	818.65	15.60	0.03	834.28	169.13	184.76
(c) Plant and Equipment	3,730.16	-	-	3,730.16	3,528.04	29.21	-	3,557.25	172.91	202.12
(d) Furniture and Fixtures	88.09	0.62	-	88.71	82.28	0.55	0.10	82.93	5.78	5.81
(e) Vehicles	47.21	-	-	47.21	43.57	0.81	-	44.38	2.83	3.64
(f) Computer	67.90	-	-	67.90	66.28	0.01	-	66.29	1.61	1.62
(g) Railway Siding	1.55	-	-	1.55	1.51	-	-	1.51	0.04	0.04
Total Tangible Assets (A)	5,543.92	0.62	-	5,544.53	4,540.33	46.18	0.13	4,586.64	957.89	1,003.59
Previous year (A)	5,526.44	17.48	-	5,543.92	4,470.18	70.14	-	4,540.33	1,003.60	1,056.26
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)	-	-	-	-	-	-	-	-	-	-
Previous year (B)	-	-	-	-	-	-	-	-	-	-
Total Fixed Assets (A+B)	5,543.92	0.62	-	5,544.53	4,540.33	46.18	0.13	4,586.64	957.89	1,003.59
Previous year(A+B)	5,526.44	17.48	-	5,543.92	4,470.18	70.14	-	4,540.33	1,003.60	1,056.26



M. S. Patodi

NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTE- 10 FIXED ASSETS (contd.....)

Page- 11

ADDITIONAL INFORMATION

Page-12

- 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. 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. Also NBCC India Ltd has been entrusted for pre LMA activities for verification, assessment and valuation of assets of NJMC Ltd with the approval of the Board of Directors which is under process.

- 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 Leasehold Land, pertaining to Unit Khardah, the value of which could not be ascertained.
- 4) Land includes 4.48 acres of land of Unit Khardah acquired by Govt. of West Bengal, for setting up Titagarh Thermal Power Plant of Calcutta Electric Supply Corporation Ltd. Necessary adjustment will be made on receipt of compensation amount.

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, Kolkata, in respect of unit-Alexandra but not in possession of the Company. This property was mortgaged prior to the date of take-over of the Management of the Alexandra Jute Mills Ltd under the Industries (Development & Regulations) Act, 1951 [I (D&R) Act, 1951] and was under an "Agreement to Sale" on the date of such take over. The Sale Agreement was, however, not concluded and was challenged by the Management under the provision of Industries (Development & Regulations) Act, 1951 at Alipore Court, Calcutta. An Interim order of injunction was ultimately issued by the High Court on 8th September, 1981 directing that all further proceedings at Alipore Court be stayed. Subsequently the mortgagee had filed a writ petition in the Calcutta High Court challenging the applicability of the provisions of I (D&R) Act, 1951. Thereafter Alexandra Jute Mills Ltd was nationalised under Jute Companies (Nationalisation) Act, 1980 with effect from 20.12.1980 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 Bench Secretariat, Kolkata is that the ownership of the premises No. 5, Alipore Road, cannot be deemed as vesting in Central Govt./NJMC under the Nationalisation Act. On the other hand the standing counsel on behalf of NJMC has opined otherwise. MOT further directed that the affidavits in reply on behalf of NJMC and Union of India (MOT) may be amended in the Hon'ble High Court, Calcuta based on the above majority legal opinion which included legal opinion from Ministry of Law & Justice Bench 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 filed on June 2019.

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.



NOTE- 10 FIXED ASSETS (contd.....)

- 5) Value of land pertaining to Unit RBHM, measuring 96 Bighas 15 Kattahs, 5 Dhurs has been capitalised for Rs.373.02 Lakhs in 1999-2000 with the approval of Board of Directors on 21.06.2000 as per valuation report as on 31.03.1993 of M/s Esjay consultants Pvt Ltd. appointed by IIBI.
- 6) Value of Land includes 4.03 acres of land valued at Rs. 41.55 Lakh and Value of Building includes building valued at Rs.27.24 Lakh situated at Kalimpong & Forbesgunj of Unit R.B.H.M as per valuation Report as on 31.03.1993 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 Rs.8.14 lakhs (Previous Year Rs. 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

Name of Mills	Name of the Fixed Assets	Gross Block as on 31.03.2017 (Rs.)	WDV as on 31.03.2017 (Rs.)
Alexandra	Plant & Machineries	148,276.00	1,483.75
National	Plant & Machineries	3,745,379.30	61,424.22
Total		3,893,655.30	62,907.97



M.M.

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NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

Page-13

NOTE- 11 NON CURRENT INVESTMENT

Trade Investments Number	As at 31st March, 2020	As at 31st March, 2019		(Rs. In Lakh)	
				As at 31st March, 2020	As at 31st March, 2019
(A) INVESTMENT IN EQUITY INSTRUMENTS- EQUITY SHARES IN SUBSIDIARY COMPANIES-UNQUOTED					
14415		14415	Birds Jute & Exports Ltd., Ordinary Share (Face value Rs. 100/- each)*	-	-
10		10	Birds Jute & Exports Ltd., Ordinary Share (Face value Rs. 100/- each)*	-	-
143		143	Birds Jute & Exports Ltd., 7% Cumulative Preference Share (Face value Rs. 100/- each)	0.01	0.01
				<u>0.01</u>	<u>0.01</u>
EQUITY SHARES IN CO-OPERATIVE SOCIETIES-UNQUOTED					
250		250	Union North Jute Mills Employees' Co-Operative Stores Ltd. (Face value Rs. 10/- each)*	-	-
				<u>-</u>	<u>-</u>
EQUITY SHARES IN ASSOCIATED COMPANIES-UNQUOTED					
5		5	The Kinnison Jute Mills Co. Ltd., (Face value Rs. 100/- each)*	-	-
				<u>-</u>	<u>-</u>
EQUITY SHARES IN OTHER COMPANIES-QUOTED					
180		180	Duncans Agro Industries Ltd. (Face value Rs. 10/- each)	0.01	0.01
111		111	Birla Corporation Limited (Face value Rs. 10/- each)	0.01	0.01
42		42	Cheviot Company Ltd. (Face value Rs. 10/- each)*	-	-
				<u>0.02</u>	<u>0.02</u>
EQUITY SHARES IN OTHER COMPANIES-UNQUOTED					
180		180	Hathikhira Tea Co. Ltd. (Face value Rs. 10/- each)	0.01	0.01
1200		1200	Jaipur Udyog Ltd. (Face value Rs. 10/- each)	0.02	0.02
95		95	Budge Budge Co. Ltd. (Face value Rs. 10/- each)	0.01	0.01
95		95	Delta Jute & Industries Ltd. (Face value Rs. 10/- each)*	-	-
20		20	The Ganges Manufacturing Co. Ltd. (Face value Rs. 10/- each)	-	-
2		2	Anglo India Jute Mills Co. Ltd. (Face value Rs. 100/- each)*	-	-
26		26	The Empire Jute Co. Ltd. (Face value Rs. 10/- each)*	-	-
600		600	Willard India Ltd. 600 Nos. (Face value Rs. 10/- each)	0.01	0.01
3		3	Lawrence Investment & Property Co. Ltd. 3 Nos. (Face value Rs. 100/- each)	0.01	0.01
100		100	Waverly Jute Co. Ltd., (Face value Rs. 50/- each)	0.01	0.01
36972		36972	Britannia Engineering Co. Ltd. (in liquidation) (Face value Rs. 100/- each)*	-	-
2700		2700	2700 Stock of 1 Pound each in Titagarh Jute Factory PLC (Face value Pund 1/- each)*	0.11	0.11
				<u>0.18</u>	<u>0.18</u>



Number of Share / Security /
Bonds / Units

70

70

(B) INVESTMENT IN PREFERENCE SHARES

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

- -

(C.) INVESTMENT IN GOVERNMENT SECURITIES

3% Conversion Loan 1986 (Face value Rs. 700/- Matured)

0.01 0.01

3% Conversion Loan 1986 (Face value Rs. 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 Plan Savings Certificate

0.01 0.01

Government of India 5.5% Loan 1999

0.42 0.42

(Face value Rs. 42,500/-)

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 Rs. 1,000/-.

Aggwgate Book value of Quoted Non-Current Investment

- -

Aggwgate Book value of Unquoted Non-Current Investment

- -

less Provision

- -

Total Quoted and Non-quoted Non-current investment

- -

Aggregete Market value of quoted Non Current Investment

NA NA

ADDITIONAL INFORMATION

(1) Provision made for doubtful of recovery :

	U N I T	(Rs. In Lakh)	(Rs. In Lakh)
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

(2) Out of the total investments, documents in respect of investments made in various Govt. authorities, Britannia Engineering Co. Ltd. and J.F. Low & Co. Ltd. are not traceable since long. This matter has been taken up with Board and it has been advised to include the same in the forensic audit to be held shortly. However full provision has been made in the Books of Accounts.



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

NOTE-12 INVENTORIES

	As at 31st March, 2020		(Rs. In Lakh) As at 31st March, 2019	
a) Raw Materials (At Lower of Cost or Market price)	138.57		138.57	
Add : In Transit	<u>-</u>	138.57	<u>-</u>	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 Cost)	380.81		380.81	
Less - Provision for diminution in value	<u>154.93</u>	225.88	<u>154.93</u>	225.88
TOTAL		<u><u>627.31</u></u>		<u><u>627.31</u></u>

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 RECEIVABLE

	As at 31st March, 2020		(Rs. In Lakh) As at 31st March, 2019	
Outstanding for a period exceeding six months				
a) Unsecured - Considered Good	-		-	
- Considered Doubtful	<u>283.36</u>		<u>283.36</u>	
	283.36		283.36	
Less : Provision for Doubtful Trade Receivables	<u>283.36</u>	-	<u>283.36</u>	-
b) Other Receivables-Considered Good	<u>-</u>		<u>-</u>	
TOTAL		<u><u>-</u></u>		<u><u>-</u></u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE-14 CASH AND BANK BALANCE

	As at		(Rs. In Lakh)	
	31st March, 2020		31st March, 2019	
a) Cash & Cash Equivalent				
Balance with Bank				
(i) In current account	1,201.72		176.42	
(ii) In fixed deposit account	<u>2,264.63</u>	3,466.35	<u>631.10</u>	807.52
Cash on hand		0.34		0.14
		<u>3,466.69</u>		<u>807.66</u>
b) Other Bank Balances				
Balance with Bank				
(i) In fixed deposit account	1,527.66		4,380.64	
(ii) Margin Money	<u>3.10</u>		<u>3.10</u>	
	1,530.76		4,383.74	
Less :- Provision against Margin Money	<u>3.10</u>	1,527.66	<u>3.10</u>	4,380.64
TOTAL		<u>4,994.35</u>		<u>5,188.30</u>

ADDITIONAL INFORMATION

- a) Balances in current accounts include Rs. 18.10 Lakhs lying in current account with Bank of India, which has been attached by Certificate Officer, Gratuity in connection with its dues.(Previous Year Rs. 18.10 Lakhs).
- b) Margin Money of Rs.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, 2020

NOTE-15 SHORT TERM LOANS AND ADVANCES

	(Rs. In Lakh)	
	As at 31st March, 2020	As at 31st March, 2019
a) Loans and advances		
Unsecured - considered good (other than related party)	1,078.21	1,078.62
Unsecured - considered doubtful (to related Party)	<u>4,739.09</u>	<u>4,668.95</u>
	5,817.30	5,747.57
Less: Provision	<u>4,739.09</u>	<u>4,668.95</u>
	1,078.21	1,078.62
b) Income Tax deducted as Source		
- Considered good	706.44	649.91
- Considered doubtful	<u>408.77</u>	<u>408.77</u>
	1,115.21	1,058.68
Less:- Provision	<u>408.77</u>	<u>408.77</u>
	706.44	649.91
c) Advances recoverable in cash or kind or for value to be received		
i) Security deposits		
Unsecured - considered good	179.24	174.66
- considered doubtful	<u>11.47</u>	<u>11.47</u>
	190.71	186.13
Less: Provision	<u>11.47</u>	<u>11.47</u>
	179.24	174.66
ii) Balances with Government Authorities		
Unsecured - considered good	-	-
- considered doubtful	<u>12.10</u>	<u>12.10</u>
	12.10	12.10
Less: Provision	<u>12.10</u>	<u>12.10</u>
iii) Others		
Unsecured - considered good	-	-
- considered doubtful	<u>414.70</u>	<u>414.21</u>
	414.70	414.21
Less: Provision	<u>414.22</u>	<u>414.21</u>
	0.47	0.00
TOTAL	<u>1,964.36</u>	<u>1,903.19</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

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 31.03.2020 is Rs. 4739.09 lakhs (previous year 4668.95 lakhs), the full provision of Rs. 4739.09 lakhs (previous year Rs.4668.95 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 Rs.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 Rs. 11.33 Lakh in respect of Unit Khardah (Previous Year Rs. 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 Rs. 24.00 Lakhs in respect of Unit National (Previous Year Rs. 24.00 Lakhs) paid to the Trustees of National Company Limited Jute Mill 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 Rs. 32.76 lakhs (Previous Year Rs. 32.76 Lakhs) and an amount of Rs. 2.24 Lakhs (Previous Year Rs. 2.24 lakhs), being the balance of claim towards value of the stock of finished goods and the balance of claim towards the value of the fixed assets destroyed by fire on 31st August, 1986 respectively pertaining to Unit National. The insurance claim was finally settled by the National Insurance Company after disallowing the above balances. The Company referred the matter to the concerned Ministry, New Delhi for further referring the matter to the arbitrator, as required under the guidelines for settlement of disputes between two Public Sector Undertakings. The matter has not yet been resolved and full provision against the same has been made in the accounts.
- iv) An amount of Rs. 10.39 lakhs 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



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 31.03.2020 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.1113.19 Lakh.The details of above assessment year wise as under:

Financial Year	Assessment Year	TDS Amount.(In Lakh)
Old balance		13.10
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
2019-20	2020-21	54.51
Total		1113.19

The Income Tax Refund determined by the Income Tax department in respect of earlier assessment years together with interest allowable thereon are being adjusted by the department against arrear demands in respect of assessment years 1990-91. The details/documents in respect of such demand could not be traced by the company. Accordingly, the company took up the matter with the jurisdictional Income Tax Authority which expressed its inability to provide copies of relevant orders vide which the demand for the said assessment year was raised and advised the company to contact CPC Bangalore.

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

The company intends to deal with the matter in appropriate manner and necessary adjustment in this regard will be made after obtaining necessary information/details from the Income Tax department.



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NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Page-20

NOTE- 16 OTHER CURRENT ASSETS

		(Rs. In Lakh)	
		As at 31st March, 2020	As at 31st March, 2019
a)	Accruals		
	Interest accrued on deposits	44.54	3.53
	Less :- Provision	<u>1.80</u>	<u>1.80</u>
		42.74	1.73
b)	Others		
	Other Current Assets	362.17	308.61
	Less :- Provision	<u>244.62</u>	<u>244.62</u>
		117.55	63.99
	TOTAL	<u>160.29</u>	<u>65.72</u>

ADDITIONAL INFORMATION

Other Current Assets of Rs. 362.17 lakhs (Previous Year Rs. 308.61 Lakhs) includes input GST credit of Rs. 107.80 lakhs(Previous Year Rs. 55.05 Lakhs) which is expected to be adjusted against future GST liabilities.

NOTE- 17 ISDS Project

		(Rs. In Lakh)	
		As at 31st March, 2020	As at 31st March, 2019
	TOTAL	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 17 ISDS PROJECT (EXPENDITURE)

Page-21
(Rs. In Lakh)

As at
31st March, 2020

As at
31st March, 2019

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 Itmes	-	-	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 Rs.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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

NOTE 17 ISDS PROJECT (EXPENDITURE) Contd...

(Rs. In Lakh)

**As at
31st March, 2020**

**As at
31st March, 2019**

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 Rs.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



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NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

NOTE 17 ISDS PROJECT (EXPENDITURE)

Contd...

Page-23
(Rs. In Lakh)

As at
31st March, 2020

As at
31st March, 2019

C. KINNISSON

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. Stching 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



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

Page-24

NOTE 17 ISDS PROJECT (EXPENDITURE) Contd...

(Rs. In Lakh)

As at
31st March, 2020

As at
31st March, 2019

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 charges of Joint Secretary (MOT) for inauguration 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



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NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

Page-25

NOTE- 18 REVENUE FROM OPERATIONS

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
Sale of Jute Products	-	-
Other Operating Revenue	-	-
TOTAL	<u>-</u>	<u>-</u>

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 and 2019-20.

NOTE- 19 OTHER INCOME

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
a) Interest Income		
Interest from Banks on Fixed Deposit	403.86	1,262.04
Interest income on Loan to Subsidiary	<u>88.25</u>	<u>492.10</u> <u>92.79</u> 1,354.83
b) Other Non-operating Income	57.36	20.93
TOTAL	<u>549.46</u>	<u>1,375.76</u>

ADDITIONAL INFORMATION

A) Govt of India has sanctioned interest free loan amounting to Rs.48,362 lakhs for revival of NJMC Ltd. Out of that a sum of Rs.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 Rs.403.86 lakhs (Previous Year Rs. 1262.04 lakhs) during the year . The same is being considered as Company's income consistently since 2011-12. ISDS fund of Rs. 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 regard is pending for a long time.

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
A) Other Non-operating Income comprises of		
i) Depreciation Adjustment for assets acquired with Govt. Grant	0.10	0.10
ii) Interest from CESC	-	0.58
ii) Prov. Written back against Municipal Tax	51.52	-
iii) Interest on I Tax Refund	3.45	-
iv) Others	<u>2.29</u>	<u>20.25</u> 20.93
TOTAL	<u>57.36</u>	<u>20.93</u>



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

NOTE- 20 COST OF RAW MATERIALS CONSUMED

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
Opening Stock	138.57	138.57
Add :- Purchase	-	-
Less: Jute Loss	138.57	138.57
Less :- Closing stock	138.57	138.57
Cost of Raw Materials Consumed (Including Process Loss)	-	-

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

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
Inventories at the beginning of the year		
Finished Goods	199.48	199.48
Work in Process	63.38	63.38
	262.86	262.86
Adjustment of Stock	-	-
	262.86	262.86
Inventories at the end of the year		
Finished Goods	199.48	199.48
Work in Process	63.38	63.38
Net increase / (decrease)	262.86	262.86
TOTAL	-	-

NOTE- 22 EMPLOYEE BENEFITS EXPENSES

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
Salaries	76.97	79.57
Contribution to Provident Fund & Other Fund	1.41	0.74
Gratuity	-	3.33
Staff Welfare Expenses	0.04	0.34
TOTAL	78.42	83.98



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NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page-27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

NOTE 23 FINANCE COSTS

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
Interest on Borrowings from Govt. of West Bengal	32.39	32.39
TOTAL	<u>32.39</u>	<u>32.39</u>

NOTE- 24 OTHER EXPENSES

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
a) Manufacturing Expenses		
Power and fuel (Electricity)	20.85	34.62
Repairs and Maintenance - Buildings	0.04	0.04
Repairs and Maintenance - Machinery	-	2.71
Repairs and Maintenance - Others	0.14	0.69
	<u>21.03</u>	<u>38.06</u>
b) Administrative Expenses		
Rent	16.94	16.78
Rates and taxes	28.19	53.71
Insurance	6.77	14.38
Security Expenses	260.26	246.33
Professional Charges	1.26	8.50
Car Hire Charges	4.55	1.74
Travelling and Conveyance	5.11	6.50
Communication	0.55	0.90
Printing and stationery	0.48	0.92
Digitalization Charges	-	0.71
Provision for TDS	-	393.92
Legal Charges	2.76	13.65
Bank Charges	0.14	0.09
Provision for doubtful trade and other receivables	70.14	168.27
Provision for Input GST	-	40.70
Prior period Items(Net)	10.12	26.33
Miscellaneous expenses	14.13	8.44
Interests & penalties on delayed payments	5.82	-
Advertisement	3.85	0.79
	<u>431.05</u>	<u>1,002.65</u>



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.
NOTE- 24 OTHER EXPENSES(CONTD.)

Page-28
(Rs. In Lakh)
For the year ended
31st March, 2019

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Auditors Remuneration :		
a) Statutory Auditors:		
i) Statutory Audit Fees	1.37	1.37
ii) Tax Audit Fees	-	0.45
b) Other Auditors	-	-
i) Tax Audit Fees	0.36	-
ii) Others Audit Fees	0.38	0.79
	<u>2.11</u>	<u>2.61</u>
 TOTAL	 <u><u>454.19</u></u>	 <u><u>1,043.32</u></u>

ADDITIONAL INFORMATION

i) Prior Period items (net) include:

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
Prior Period Expenses	9.98	26.33
Depreciation	0.14	-
	<u>10.12</u>	<u>26.33</u>

NOTE- 25 EARNING PER SHARE

	For the year ended 31st March, 2020	(Rs. In Lakh) For the year ended 31st March, 2019
Profit / (Loss) after tax as per Statement of Profit and Loss (Rs. In Lakh)	(61.72)	145.93
Weighted average Number of equity share	557974	557974
Earnings per share (Rs.) - Basic	(11.06)	26.15
Earnings per share (Rs.) - Diluted	(11.06)	26.15



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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. Also NBCC India Ltd has been entrusted for pre LMA activities for verification, assessment and valuation of assets of NJMC Ltd with the approval of the Board of Directors which is under process.

2) These Financial Statements incorporate the Accounts pertaining to the Units of Corporate Office and 6 mills of the company viz

3) Related Party Transactions

i) Details of Parties :

Description of Relationship	Name of related Parties
Subsidiary Company	Birds Jute & Exports Limited
Key Management Personnel	Sri Moloy Chandan Chakraborty (CMD) Ms. Malini Mahapatra (CS)

Note :- Related parties have been identified by the Management

ii) Details of related party transaction during the year ended 31 March 2020 and balances outstanding

(Rs. In Lakh)

a) With subsidiary company:

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Opening Balance of loan to Subsidiary	4,668.95	4,576.16
Transactions during the year	-	-
Interest charged	88.25	92.79
Less: TDS FY 2019-20	(8.82)	
Less: TDS AY 2018-19	(9.28)	
Closing Balance	4,739.09	4,668.95

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

b) With Key Managerial Personnel : Remuneration paid as Company Secretary	2.56	Nil
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4) Employee Benefits expenses include Director's Remuneration as below :-		
Particulars	Current Year	Previous Year
Remuneration	0	0
Contribution to P.F. Fund	0	0
Gratuity	0	0

(Rs. In Lakh)

5)	Particulars	For the year ended	For the year ended
		31st March, 2020	31st March, 2019
a)	Expenditure/Remittance in Foreign Currency	Nil	Nil
b)	Earnings in Foreign Exchange	Nil	Nil



- 6). The Company's operations pertain to manufacture and selling of single Jute Product for sale in the Domestic Market only. As such reporting
- 7). The company has net deferred tax asset nat the year end. However,in view of the substantial losses incurred in a number of past years and
- 8). The Company has not assessed the Impairment loss on its fixed assets as per Accounting Standard 28.
- 9) Disputed liabilities and commitments not provided for:-

SL. NO.	Particulars	As at 31st March, 2020	As at 31st March, 2019
A)			
i)	Claims against the Company not acknowledged as debt towards Central Excise for Unit Kinnison	21.35	21.35
ii)	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 Lacs , 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
iii)	Service Tax demand	0.10	0.10
iv)	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
v)	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
vi)	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. 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.	440.01	-
B)	Commitments	-	-
	Total	701.61	457.00



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page-31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

10) Contingent liabilities and commitments not provided for

SL. NO.	Particulars	As at 31st March, 2020	As at 31st March, 2019
	Contingent Liabilities		
i)	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
ii)	Guarantee issued to Sales tax Authority by the banks on behalf of the Company	0.50	0.50
	Total	1.47	1.47

Other Contingent Liabilities not provided for :

- iv) Claims made by Ex- Employees/ officers of the company pending before various legal forums :Not Ascertained.
- v) Claims for interest demanded by the creditors of the company pending before various legal forums: Not Ascertained
- vii) Income Tax refunds determined in respect of past Assessment years & Interest allowed there on adjusted by the Income Tax
- 11) Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with the current year

Summary of significant Accounting Policies & Other

Notes form an integral part of this financial statement

1
1-26

For and on behalf of the Board

Moloy Chandan Chakraborty

For R.K. Patodi & Co.
Chartered Accountants
Registration No.305091E
S. Patodi
Siddhartha Patodi
Partner
Membership No. 059144
UDIN : 20059144AAA



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



Malini Mahapatra

(Ms. Malini Mahapatra)
Company Secretary
Membership No: A39997

Place : Kolkata
Date : 18.12.2020