

# R. K. PATODI & CO.

CHARTERED ACCOUNTANTS

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## Independent Auditors' Report

TO THE MEMBERS OF NATIONAL JUTE MANUFACTURES CORPORATION LIMITED

Report on the 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, 2021, 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, 2021, 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 10<sup>th</sup> 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. The Board of Directors of NJMC Limited at its 177<sup>th</sup> meeting nominated M/s. MSTC as Auctioning Agency for disposal of all movable assets including Building and NBCC (India) Limited has been appointed as Land Management Agency (LMA) for disposal of fixed assets. Further NBCC Ltd has been appointed as Pre LMA for verification, assessment and valuation of assets before undertaking disposal in accordance with the DPE guidelines which is in process.
- 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. 22,498.34 Lakhs (P.Y.Rs.22,259.31 Lakhs). The mills were not in operation throughout the year.

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 of 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 inventories represents its fair value.

### **B.2 Accounting Standard-9 - Revenue Recognition:**

The Company has recognized interest income of Rs.88.34 Lakhs on the loans granted by it to its subsidiary, Birds Jute & Exports Ltd. but, at the same time it has also made provision on this account towards doubtful interest receivable, net of TDS,. The subsidiary company has defaulted in making payment of loan amount and interest to the extent of Rs. 4818.59 Lakhs up to 31<sup>st</sup> March, 2021. Moreover, the Union cabinet has also approved the closure of Birds Jute & Exports Ltd. on 10<sup>th</sup> October, 2018. In view of significant uncertainty in the ultimate collection, the 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 a subsidiary company namely Birds Jute and Exports Ltd. The company has not prepared and presented consolidated financial statements as required by (AS) 21, 'Consolidated Financial Statements'. The subsidiary has not held AGM for the financial year 2019-20 and is yet to finalize its Financial Statements for the financial year 2020-21. The matter is now pending before the NCLT.

### **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-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, some of which are pending for several year. However, against a number of such cases, the company has not estimated and disclosed the amount of possible financial implication of the dispute, 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) As stated in Note 10(2), Fixed Assets include certain machines of the Company having WDV of Rs. 637/- lying with a third party since Nationalization. But the company has not ascertained the actual existence of those machineries as on Balance Sheet date.

b) As disclosed in Note 10(4), 'Land & Building' includes property at 5, Alipore Road, Kolkata, which is not in the possession of the Company though vested in the company under the Jute Companies (Nationalization) Act, 1980. The property is under litigation and the legal experts are having divergent views regarding the ownership of the property. Though the ownership is disputed, the company is providing liability in respect of municipal taxes payable to Kolkata Municipal Corporation, which amounted to Rs.4.45 Lakhs for the financial year 2020-21(Previous Year: Rs. 4.45 Lakhs). The cumulative liability so provided up to 31.03.2021 is Rs. 107.57 Lakhs (up to 31.03.2020: Rs. 103.12 Lakhs)

c) Certain items of movable fixed assets lying at the National Mill Unit of the company, having aggregate book value of Rs. 28,422.16 as on 31-03-2020, were not found at the time of physical verification conducted by the Mill Management during the year, for which FIR has been lodged by the company. No provision has been made towards loss on this account as the management intends to recover the same from the concerned Security Services provider at the said Mill. We have been informed that necessary adjustment in this regard will be made on settlement of the matter with the said Security Services provider.

d) During the financial year 2018-19, Land belonging to six mills of NJMC viz Khardah, Kinnison, Alexandra, National and Union in West Bengal and RBHM in Katihar, Bihar and Bungalow at 5A, Alipore Road and guest house at Kalimpong were valued by M/s. Associated Valuers, government registered valuers, who determined the total Market Value of these immovable properties at Rs. 206899.69 Lakhs, out of which value of encroached properties was Rs 65369.99 Lakhs. However, the effect of such valuation, which is much higher than the aggregate book-value of these properties and the encroachment of the company's property, has not been given in the books of account.

e) The Title Deeds of the land at various location were made available for our verification but could not be properly verified and linked with the records of fixed assets. However, according to information and explanation given to us, the landed property of three mills viz. Khardah, some portion of Kinnison and Alexandra are still continuing in the name of the erstwhile companies. We have been further informed that representation has been made to the Additional District Magistrate & District Land & Land Reforms Officer – North 24 Paraganas, Barasat for updating the land records in respect of the said properties but, the matter is still pending as on 31<sup>st</sup> March, 2021.

### C.2 Investments:

a) No documents could be made available in respect of Investments of Govt. securities aggregating to Rs.0.74 Lakhs and Share scrips in respect of investments held in Britannia Engineering Ltd. and J.F. Low & Co. Ltd. could not be made available for our verification and were informed to be not traceable. These investments are very old and it was explained to us that the original certificates might have been provided as security to the various Govt. authorities/ departments. However, full provision have been made against these investments.



### **C.3 Inventories:**

The inventories of the company were not physically verified during the year under review. As there was no movement in inventories during the year, the closing stock has been taken by the management equal to the value of the opening stock. Since most of the items of inventory are very old and their actual condition has not been ascertained in the absence of any physical verification, the net realizable value of inventories may not be equal to the value taken by the management.

### **C.4 Cash and Bank Balances:**

Bank balances include Rs 91,523/- on account of PF Trustee, Khardah unit lying with UCO Bank, Titagarh Branch, which is a dormant account as on balance sheet date.

### **C.5 Short Term Loans & Advances**

a) Since the party wise details, age wise analysis and relevant documents are not made available to us in respect of Security Deposits of Rs 190.71 Lakhs, of which 11.47 Lakhs considered doubtful and provided for, could be it is not possible to determine how much of deposits considered good are actually realisable.

b) Against the aggregate provision of Rs. 408.77 Lakhs for Income-tax, as appearing in the Balance Sheet, tax payments made by the company in the form of income tax deducted at source amounts to Rs. 1143.20 Lakhs. The Income-tax refunds determined for earlier years are being issued to the company but are being adjusted by the Income Tax department against the arrear demand for the assessment year 1990-91. The outstanding demand summary of the company with the Income Tax department is still showing a sum 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) The aggregate amount of Loans & Advances given to BJEL, the subsidiary of the company, including accrued interest considered thereon is Rs. 4818.59 Lakhs as per the books of account of the company. However, as per the statement of accounts received from the subsidiary, such amount aggregates to Rs. 4833.77 Lakhs. The difference as on 31.03.2021 is yet to be reconciled and we have been informed that the same will be adjusted after reconciliation.

### **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 this loan and the accumulated balance of Principal including interest unpaid as per the books of account of the company is Rs 1553.73 Lakhs as on 31<sup>st</sup> March, 2021 (as on 31<sup>st</sup> March, 2020 Rs 1513.58 Lakhs).

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) Trade Payables aggregating to Rs. 2085.40 Lakhs (as at 31.03.2020 Rs.2062.35 Lakhs) include old outstanding balances aggregating to Rs. 1009.10 Lakhs, for which no party-wise details could be made available to us. Since these Trade Payables are very old, the actual amount payable by the company on this account may be different from the amount shown in the books of accounts. Further, in the absence of necessary information, the status of parties under MSMED Act could not be ascertained and, hence, the particulars in respect of dues to Micro and Small Enterprises are not being updated and no further liability on account of interest payable under the MSMED Act is being provided for the last several years. Consequently the interest payable under the said Act may be different from the amount of interest liability shown under the head Trade Payables.

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

### **C.8 Other Current Liabilities**

a) Statutory dues amounting to Rs. 4732.60 Lakhs appearing in Note 8 include damages amounting to Rs. 3550.11 Lakhs and Rs. 592.24 Lakhs claimed by ESI authorities and Provident Fund authorities respectively. 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 adjustment has been made in this regard.

b) Statutory dues also include liability for Fringe Benefit Tax amounting to Rs. 8.93 Lakhs, Interest on Professional Tax amounting to Rs. 68.69 Lakhs, which are being brought forward for a long time. In the absence of relevant information, it is not possible for us to ascertain how much of these liabilities are ultimately payable or whether the same have been adequately provided.

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/EMD: Rs. 85.07 Lakhs and Advance from parties: Rs. 98.83 Lakhs, it is not possible for us to ascertain how much of these liabilities are ultimately payable or whether the same have been adequately provided.

d) Creditors for accrued wages and salaries of Rs. 339.40 Lakhs include old outstanding aggregating to Rs. 226.55 Lakhs on account of VRS payable, Gratuity payable and Arrear Salary Payable. 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.

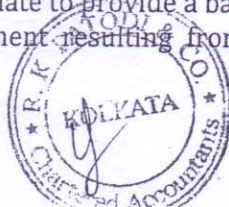
We conducted our audit in accordance with Standards on Auditing specified under Section 143 (10) of the Act. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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**

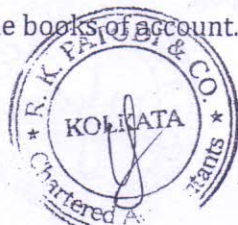
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 5<sup>th</sup> 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 31<sup>st</sup> march 1994. The accumulated balance of Loan and Unpaid Interest is Rs 1553.73 Lakhs as on 31.03.2021. 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.

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

*Saibal Gangopadhyay*

SAIBAL GANGOPADHYAY  
(PARTNER)

MEM NO.300680

UDIN: 21300680AAAAAD6255



Place: Kolkata  
Date: 10-09-2021

## 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 2021,

We report that:

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

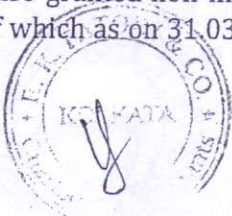
(b) The fixed assets have not been physically verified by the management at any time during the year except in case of National Unit of the company. During such verification, certain items of fixed assets located at the sad unit, having book value of Rs. 28422/- as on 31.03.2020, were physically not found, for which an FIR has been lodged by the company. In this connection, we have been informed by the management that the company intends to recover the loss on this account from the concerned security services agency and, accordingly, no provision has been made for the same. Further, during the year under review, the company appointed a valuer for determining the estimated realizable value of its Plant & Machinery and Furniture & Fixtures lying at the various mills except the Union Mill. Though the said valuer has prepared a list of various items of fixed assets physically found at the Mill premises, the same were not verified by it with the records of fixed assets and, hence, we are unable to comment whether there existed any material discrepancy in the fixed assets of these mills. Furthermore, we are unable to comment on the discrepancy, if any, in the fixed assets lying at Head Office of the company as no physical verification was done during the year.

(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, some portion of 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) The inventories of the company were not physically verified during the year and hence 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 are no movement in 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 values of the inventories have also not been determined. Hence, it is not possible for us to determine whether the carrying value of inventory represents the fair value and whether there exists any discrepancy.

iii. a) The Company had granted unsecured loan to its subsidiary, which amounted to Rs.4818.59 Lakhs as on 31.03.2021 including interest amounting to Rs. 3735.46 Lakhs 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 but the company is charging interest on the loan given to its subsidiary at the agreed rates and also made full provision for the same since the amount is considered irrecoverable, besides the difference in between the advance given to a subsidiary and interest receivable needs to be reconciled and adjustment be made. 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 31.03.2021 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 same 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 31<sup>st</sup> March, 2021 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 attracts 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;

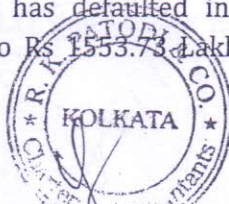
b) According to the information and explanations given to us, the following statutory dues have not been deposited as on 31<sup>st</sup> March, 2021 on account of dispute:

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	223.08	2010-11 to 2017-18

In addition to above, the following old statutory dues stated to be disputed, remain outstanding in the books of the company as on 31<sup>st</sup> March, 2021 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
- e) VAT/CST Rs. 9.74 Lakhs

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. 1553.73 Lakhs (including interest thereon Rs.



1272.25 Lakhs) as on 31.03.2021. 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 5<sup>th</sup> 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

*Saibal Gangopadhyay*  
**SAIBAL GANGOPADHYAY**  
(PARTNER)

MEM NO. 300680  
UDIN: 21300680AAAAAD6255

Place: Kolkata  
Date: 10-09-2021

## **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 31<sup>st</sup> March, 2021 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 31.03.2021 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.

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

*Saibal Gangopadhyay*  
**SAIBAL GANGOPADHYAY**  
(PARTNER)  
MEM NO. 300680  
UDIN: 21300680AAAAAD6255



Place: Kolkata  
Date: 10-09-2021

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

Page - 1

**BALANCE SHEET AS AT 31st March, 2021**

(Rs. In Lakh)

		Note no.	As at (Audited) 31st March, 2021		As at (Audited) 31st March, 2020	
(A)	<b>EQUITY AND LIABILITIES</b>					
(1)	Shareholders' Funds:					
	(a) Share Capital	2	5,579.74		5,579.74	
	(b) Reserves and Surplus	3	(28,078.08)	(22,498.34)	(27,839.04)	(22,259.30)
(2)	Non-Current Liabilities					
	(a) Long-Term Borrowings	4	23,125.14		23,085.00	
	(b) Long-Term Provisions	5	11.52	23,136.66	11.52	23,096.52
(3)	Current Liabilities					
	(a) Short-Term Borrowings	6	-		-	
	(b) Trade Payables	7	-		-	
	i) Dues to micro and small enterprises		112.58		112.58	
	ii) Dues to Others than micro and small enterprises		1,972.82		1,949.77	
	(c) Other Current Liabilities	8	5,596.63		5,615.57	
	(d) Short-Term Provisions	9	189.08	7,871.11	189.08	7,867.00
	<b>TOTAL</b>			<b>8,509.43</b>		<b>8,704.22</b>
(B)	<b>ASSETS</b>					
(1)	Non-Current Assets					
	(a) Property, Plant and Equipment					
	(i) Tangible Assets	10	918.02		957.90	
	(ii) Capital Work-in-Progress	10	-		-	
	(b) Non-Current Investments	11	-	918.02	-	957.90
(2)	Current Assets					
	(a) Inventories	12	627.31		627.31	
	(b) Trade Receivables	13	-		-	
	(c) Cash And Bank Balance	14	4,755.58		4,994.35	
	(d) Short-Term Loans and advances	15	1,992.30		1,964.36	
	(e) Other Current Assets	16	216.22		160.29	
	(f) ISDS Project	17	-	7,591.41	-	7,746.32
	<b>TOTAL</b>			<b>8,509.43</b>		<b>8,704.22</b>

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

*Saibal Gangopadhyay*  
SAIBAL GANGOPADHYAY  
Partner  
Membership No. 300680  
UDIN: 21300680AAAAD6255



Place : Kolkata  
Date : 10.09.2021

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

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

Page - 2

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH' 2021**

(Rs. In Lakh)

	Note no.	For the period ended	For the period ended
		31st March 2021	31st March 2020
		Audited	Audited
<b>INCOME</b>			
1	18	-	-
2	19	357.90	549.46
3		357.90	549.46
<b>EXPENSES</b>			
4	20	-	-
	21	-	-
	22	67.74	78.42
	23	35.53	32.39
	10	39.96	46.18
	24	453.60	454.20
		596.83	611.20
5		(238.94)	(61.72)
6		-	-
7		(238.94)	(61.72)
8		-	-
9		(238.94)	(61.72)
10		-	-
		-	-
11		(238.94)	(61.72)
12		-	-
		-	-
	25	(42.82)	(11.06)
	25	(42.82)	(11.06)

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

*Saibal Gangopadhyay*  
SAIBAL GANGOPADHYAY  
Partner  
Membership No. 300680  
UDIN: 21300680AAAAA 6255



Place : Kolkata  
Date : 10.09.2021

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





**NATIONAL JUTE MANUFACTURES CORPORATION LTD.**

Page-3

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(Rs. In Lakh)

	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit / (Loss) before extraordinary item and Tax.		(238.94)		(61.72)
Adjustments for:				
Interest on Borrowings	40.14		32.39	
Depreciation	39.96		46.18	
Prior Period Depreciation	-		0.14	
Interest Income	(267.55)		(403.86)	
Adjustments for Govt. Grant (Reserve)	(0.10)	(187.54)	(0.10)	(325.26)
<b>Operating Profit before Working Capital Change</b>		<b>(426.48)</b>		<b>(386.98)</b>
Change in Inventories	-		-	
Decrease Trade Receivables	-		-	
Increase in Short Loan & Advances	(27.94)		(61.18)	
Increase in Other Current Assets	(55.93)		(94.57)	
Increase/(Decrease) in Trade Payables	23.67		(6.02)	
Decrease in Other Current Liabilities	(18.94)		(37.24)	
Decrease in Long term Provisions	-		(11.83)	
ISDS Fund expenditure	-		-	
Net Cash Flow from working capital changes		(79.14)		(210.84)
<b>Net Cash from Operating Activities (A)</b>		<b>(505.62)</b>		<b>(597.81)</b>
<b>B. Cash Flow from Investing Activities</b>				
(Increase)/ Decrease in Fixed Deposits	(831.91)		1,219.45	
Purchase of Fixed Assets	(0.71)		-	
Interest on Fixed Deposits	267.55	(565.06)	403.86	1,623.31
<b>Net Cash from Investing Activities (B)</b>		<b>(565.06)</b>		<b>1,623.31</b>
<b>C. Cash Flow from Financing Activities</b>				
<b>Net cash from Financing Activities (C)</b>				
<b>Net Inc. / (Dec.) in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(1,070.68)</b>		<b>1,025.50</b>
Cash and Cash Equivalents at the beginning of the year		1,202.06		176.56
Cash and Cash Equivalents at the end of the year		<b>131.38</b>		<b>1,202.06</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>a) Component of Cash and Cash Equivalents</b>				
(i) In bank accounts		130.94		1,201.72
(ii) Cash in hand		0.44		0.34
		<b>131.38</b>		<b>1,202.06</b>

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

*Saibal Gangopadhyay*  
SAIBAL GANGOPADHYAY  
Partner  
Membership No. 300680  
UDIN: 21300680 AAAAD6255

Place : Kolkata  
Date : 10.09.2021



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



## NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page - 4

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.

#### 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 re assessed 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/procurement in respect of investments made 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 nationalisation.

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.



*Salini Koley*

**NATIONAL JUTE MANUFACTURES CORPORATION LTD.**

NOTE- 1 Contd.

1.7 RETIREMENT BENEFITS

Page - 5

- 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.

	( Rs. In Lacs)	
NOTE - 2 SHARE CAPITAL	As at 31st March, 2021	As at 31st March, 2020
<b>AUTHORISED</b>		
600000 Equity Shares of Rs. 1,000/- each (Previous Year 600000 Equity Shares)	<u>6000.00</u>	<u>6000.00</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
557974 Equity Shares of Rs. 1,000/- each (Previous Year 557974 Equity Shares)	<u>5579.74</u>	<u>5579.74</u>
<b>TOTAL</b>	<u>5579.74</u>	<u>5579.74</u>

**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, 2021		As at 31st March, 2020	
	No. of Shares	(%)	No. of Shares	(%)
Honourable President of India	557972	99.99	557972	99.99



*Malini Palapatra*

**NATIONAL JUTE MANUFACTURES CORPORATION LTD.**

Page - 6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.

**NOTE- 3 RESERVES AND SURPLUS**

	As at 31st March, 2021		As at 31st March, 2020	(Rs. In Lakh)
<b>Capital Reserve</b>				
Against Government Grants				
Opening Balance	0.99		1.09	
Add :- Addition / Transferred during the year	-		-	
Less :- Utilised / Transferred during the year	0.10		0.10	
Closing Balance	<u>0.89</u>		<u>0.99</u>	
<b>Revaluation Reserve</b>				
Opening Balance	441.81		441.81	
Add :- Addition during the year	-		-	
Less :- Utilised / Transferred during the year	-		-	
Closing Balance	<u>441.81</u>		<u>441.81</u>	
<b>(Deficit) in Statement of Profit and Loss</b>				
Opening Balance	(28,281.84)		(28,220.11)	
Balance in Statement of Profit and Loss	(238.94)		(61.72)	
Closing Balance	<u>(28,520.78)</u>		<u>(28,281.84)</u>	
<b>TOTAL</b>	<u>(28,078.08)</u>		<u>(27,839.04)</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 and 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.
- b) 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.)
- c) The difference between market value and book value of Investments in respect of Unit RBHM as on the date of nationalisation.

0.77      0.87

0.01      0.01

0.11      0.11

0.89      0.99

**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

441.81      441.81



*Palit Palit*

NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page - 7

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE- 4 LONG TERM BORROWINGS

	As at 31st March, 2021	(Rs. In Lakh) As at 31st March, 2020
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	1,272.25	1,232.11
<b>TOTAL</b>	<b>23,125.14</b>	<b>23,085.00</b>

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, 2021		As at 31st March, 2020	
	Period of default	Amount (Rs. In Lakhs)	Period of default	
<b>Loan from Government of West Bengal :</b>				
i) Principal	Since 31.03.1994	281.48	Since 31.03.1994	281.48
ii) Interest	Since 31.03.1994	1,272.25	Since 31.03.1994	1,232.11
<b>TOTAL</b>		<b>1,553.73</b>		<b>1,513.59</b>

- 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. 1272.25 Lakhs (P. Y. Rs. 1232.11 Lakhs) into a Soft Loan in accordance with BIFR Approved Scheme.



*Pratini Kalopatia*

**NATIONAL JUTE MANUFACTURES CORPORATION LTD.**

Page - 8

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE- 5 LONG TERM PROVISIONS

	As at 31st March, 2021	(Rs. In Lakh) As at 31st March, 2020
Provision for Employee Benefits		
i) Provision for Leave encashment		
ii) Provision for Gratuity	11.52	11.52
<b>TOTAL</b>	<b>11.52</b>	<b>11.52</b>

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, 2021	(Rs. In Lakh) As at 31st March, 2020
<b>TOTAL</b>	-	-

NOTE-7 TRADE PAYABLES

	As at 31st March, 2021	(Rs. In Lakh) As at 31st March, 2020
i) Creditors for Goods ,Expenses & Services	1,958.79	1,935.74
ii) Interest provided on Trade Payables	126.61	126.61
<b>TOTAL</b>	<b>2,085.40</b>	<b>2,062.35</b>

ADDITIONAL INFORMATION

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

	As on March 31,2021	March 31, 2020
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 Last Year	57.52	57.52
<b>TOTAL</b>	<b>112.58</b>	<b>112.58</b>



*Mahesh Subudhakar*

NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page - 9

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.

NOTE - 8 OTHER CURRENT LIABILITIES

	As at 31st March, 2021	(Rs. In Lakh) As at 31st March, 2020
i) Statutory Dues (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, Vat, Service Tax, Interest on PF etc.)	4732.60	4727.18
ii) Undisbursed claim of Commissioner of Payments	40.29	40.29
iii) Performance Guarantee	57.47	57.47
iv) Security Deposit/EMD	85.07	80.75
v) Provision for Interest on ISDS Fund	19.02	19.02
vi) Advance from Parties	98.83	98.83
vii) Property Tax/ Municipal Tax , Rates & Taxes	223.95	246.60
viii) Creditors for accrued wages and salaries	339.40	345.42
<b>TOTAL</b>	<u>5,596.63</u>	<u>5,615.57</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) for long time .
- c) Property Tax reflects the demand made by K.M.C for the premises 5 Alipore Road, Culcutta, which is under subjudice. The breakup of which is as under.

	(Rs. In Lakh)	(Rs. In Lakh)
Principal	61.78	57.33
Penalty	7.21	7.21
Interest	38.58	38.58
<b>Total</b>	<u>107.57</u>	<u>103.12</u>

- d) Property Tax also includes Rs.2.82 Lakh (Previous Year Rs.29.92 Lakh) for other units.

- e) Creditors for accrued wages and salaries include old outstanding aggregating to Rs. 226.55 Lakhs payable on account of VRS , Gratuity payable and arrear salary payable which are still under reconciliation.

NOTE-9 SHORT TERM PROVISIONS

	As at 31st March, 2021	(Rs. In Lakh) As at 31st March, 2020
Provision for Contingency (On account of Gratuity payable to workmen after reconciliation)	189.08	189.08
<b>TOTAL</b>	<u>189.08</u>	<u>189.08</u>



*Ravi Khatwani*

**NATIONAL JUTE MANUFACTURES CORPORATION LTD.**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE- 10 PROPERTY, PLANT AND EQUIPMENT

Tangible Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		(Rs. In Lakh)
	As at 31st March, 2020	Addition(+)	Deduction(-)	As at 31st March, 2021	Upto 31st March, 2020	For the Year	Arrear Depn	Upto 31st March, 2021	As at 31st March, 2021	
(a) Land-Freehold	605.59	-	-	605.59	-	-	-	-	605.59	605.59
(b) Buildings & Roads	1,003.41	-	-	1,003.41	834.28	14.12	-	848.39	155.02	169.13
(c) Plant and Equipment	3,730.16	-	-	3,730.16	3,587.25	23.92	-	3,581.16	149.00	172.91
(d) Furniture and Fixtures	88.71	0.09	-	88.80	82.93	1.37	-	84.30	4.50	5.78
(e) Vehicles	47.21	-	-	47.21	44.38	0.56	-	44.94	2.27	2.83
(f) Computer	67.90	-	-	67.90	66.29	-	-	66.29	1.61	1.61
(g) Railway Siding	1.55	-	-	1.55	1.51	-	-	1.51	0.04	0.04
Total Tangible Assets (A)	5,544.53	0.09	-	5,544.62	4,586.64	39.96	-	4,626.59	918.03	957.89
Previous year (A)	5,543.92	0.62	-	5,544.54	4,540.33	46.18	0.13	4,586.64	957.90	1,003.60
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)	5,544.53	0.09	-	5,544.62	4,586.63	39.96	-	4,626.59	918.03	957.89
Previous year(A+B)	5,543.92	0.62	-	5,544.54	4,540.33	46.18	0.13	4,586.64	957.90	1,003.60



*Indira Kalyan*



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

ADDITIONAL INFORMATION

- 1) Government of India has approved the closure of NJMC Ltd. on 10.10.2018. As per the directive of the competent authority, the closure has to be made in accordance with the DPE Guidelines issued vide O.M.No.DPE/5(1)/2014-Fin(Part-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.
  - 2) Land includes Leasehold Land, pertaining to Unit Khardah, the value of which could not be ascertained.
  - 3) Land includes 4.48 acres of land of Unit Khardah acquired by Govt. of West Bengal. for setting up Titagarh Thermal Power Plant of Calcutta Electric Supply Corporation Ltd. Necessary adjustment will be made on receipt of compensation amount.
  - 4) Fixed Assets vested under the provision of the Jute Companies (Nationalisation) Act, 1980 on 20th December, 1980 with National Jute Manufactures Corporation Ltd., include land and building at 5, Alipore Road, 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 & 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. 17/18/2006 - 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, Banster 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, Calcutta 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. No further development has taken place during the financial year 2020-21 due to pandemic. Since the matter is subjudice no adjustment has been made in the accounts.



*Indis help*



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 the fixed assets of Alexandra and National, which are all closed units.		Gross Block as on 31.03.2017 (Rs.)	WVDV as on 31.03.2017 (Rs.)
Name of Mills	Name of the Fixed Assets	148,276.00	1,483.75
Alexandra	Plant & Machineries	3,745,379.30	61,424.22
National	Plant & Machineries	3,893,655.30	62,907.97
Total			

10) Certain Items of movable fixed assets lying at the National Mill Unit of the company, having aggregate book vale of Rs.28422.16 as on 31.03.2020, were not found at the time of physical verification conducted by the Mill management during the year for which FIR has been lodged by the company. Necessary adjustments in this regard will be made on final settlement of the matter with the said security services provider.

11) A valuer was appointed during the year for ascertaining the realisable value of plant & machinery and furniture & fixtures lying at five out of the total six mills of the company and the realisable values determined by the valuer are significantly higher than their respective book values. Accordingly, in the opinion of the management, there is nothing to be provided on account of impairment loss in accordance with AS 28. Even otherwise, most of the fixed assets were procured long back and their residual book value has already been reduced to 5% or lower of their gross block value.



**NATIONAL JUTE MANUFACTURES CORPORATION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.**  
**NOTE- 11 NON CURRENT INVESTMENT**

Page-13

As at 31st March, 2021		As at 31st March, 2020		(Rs. In Lakh) As at 31st March, 2021		As at 31st March, 2020	
<b>Trade Investments</b>							
Number	Number						
<b>(A) INVESTMENT IN EQUITY INSTRUMENTS- EQUITY SHARES IN SUBSIDIARY COMPANIES-UNQUOTED</b>							
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>		
<b>EQUITY SHARES IN CO-OPERATIVE SOCIETIES-UNQUOTED</b>							
250	250	Union North Jute Mills Employees' Co-Operative Stores Ltd. (Face value Rs. 10/- each)*		-	-		
				<u>-</u>	<u>-</u>		
<b>EQUITY SHARES IN ASSOCIATED COMPANIES-UNQUOTED</b>							
5	5	The Kinnison Jute Mills Co. Ltd., (Face value Rs. 100/- each)*		-	-		
				<u>-</u>	<u>-</u>		
<b>EQUITY SHARES IN OTHER COMPANIES-QUOTED</b>							
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		
63	63	Cheviot Company Ltd. (Face value Rs. 10/- each)*		-	-		
				<u>0.02</u>	<u>0.02</u>		
<b>EQUITY SHARES IN OTHER COMPANIES-UNQUOTED</b>							
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. 4/- each)*		-	-		
20	20	The Ganges Manufacturing Co. Ltd. (Face value Rs. 100/- eac)		-	-		
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>		



*Indira Debnath*

Number of Share / Security /  
Bonds / Units

700 700

(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/-.  
Agggate Book value of Quoted Non-Current Investment - -  
Agggate 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
Khرداد		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 nationalisation. 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.

NOTE-12 INVENTORIES

	As at 31st March, 2021		(Rs. In Lakh) As at 31st March, 2020	
a) Raw Materials (At Lower of Cost or Market price)	138.57		138.57	
Add : In Transit	-	138.57	-	138.57
b) Work in Process (At Lower of estimated cost or realisable value)		63.38		63.38
c) Finished Goods (At Lower of Cost or Market price)		199.48		199.48
d) Stores & Spares (At Cost)	380.81		380.81	
Less - Provision for diminution in value	154.93	225.88	154.93	225.88
<b>TOTAL</b>		<b>627.31</b>		<b>627.31</b>

ADDITIONAL INFORMATION

- a) Due to Covid 19 pandemic it was not possible to take physical inventories as on 31.03.2021. As there was no movement in inventories during the F.Y.20-21 and all the items of inventories are lying in the safe custody of the company, the value of inventories were taken at the same figures as that on 31.03.2020.
- 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, 2021		(Rs. In Lakh) As at 31st March, 2020	
Outstanding for a period exceeding six months				
a) Unsecured - Considered Good	-		-	
- Considered Doubtful	283.36		283.36	
	283.36		283.36	
Less : Provision for Doubtful Trade Receivables	283.36		283.36	
b) Other Receivables-Considered Good	-		-	
<b>TOTAL</b>				



*Pratibha Patodi*



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE-14 CASH AND BANK BALANCE

	As at 31st March, 2021	As at 31st March, 2020	(Rs. in Lakh)
a) Cash & Cash Equivalent			
(i) Balance with Bank Accounts	130.94	1,201.72	
(ii) Cash on hand	<u>0.44</u>	<u>0.34</u>	
	131.38	1,202.06	
b) Other Bank Balances			
(i) In Fixed Deposit Accounts with Banks			
(a) Having original maturity period of more than 12 months	223.90	1,521.98	
(b) Other Fixed Deposits with Bank	4,400.29	2,270.31	
(ii) Margin Money	<u>3.10</u>	<u>3.10</u>	
	4,627.30	3,795.39	
Less :- Provision against Margin Money	<u>3.10</u>	<u>3.10</u>	3,792.29
	4,624.20	3,792.29	
<b>TOTAL</b>	<u><b>4,755.58</b></u>	<u><b>4,994.35</b></u>	

ADDITIONAL INFORMATION

- a) Balances in Bank 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, 2021

NOTE-15 SHORT TERM LOANS AND ADVANCES

	(Rs. In Lakh)	
	As at 31st March, 2021	As at 31st March, 2020
a) Loans and advances		
Unsecured - considered good	1,078.21	1,078.21
(other than related party)		
Unsecured - considered doubtful	<u>4,818.59</u>	<u>4,739.09</u>
(to related Party)	5,896.80	5,817.30
Less: Provision	<u>4,818.59</u>	<u>4,739.09</u>
	1,078.21	1,078.21
b) Income Tax deducted as Source		
- Considered good	734.43	706.44
- Considered doubtful	<u>408.77</u>	<u>408.77</u>
	1,143.20	1,115.21
Less:- Provision	<u>408.77</u>	<u>408.77</u>
	734.43	706.44
c) Advances recoverable in cash or kind or for value to be received		
i) Security deposits		
Unsecured - considered good	179.24	179.24
- considered doubtful	<u>11.47</u>	<u>11.47</u>
	190.71	190.71
Less: Provision	<u>11.47</u>	<u>11.47</u>
	179.24	179.24
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	414.64	414.70
- considered doubtful	<u>414.64</u>	<u>414.70</u>
	414.64	414.70
Less: Provision	<u>414.22</u>	<u>414.22</u>
	0.41	0.47
<b>TOTAL</b>	<u>1,992.29</u>	<u>1,964.36</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.

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 29<sup>th</sup> 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 23<sup>rd</sup> 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 thereon and the approval of the Government of India to the closure of BJEL, the Board of NJMC Ltd decided to make the provision for doubtful debts for the amount receivable from BJEL and accordingly, provision is being made every year in respect of interest accrued net of TDS on the loans granted to BJEL.

The aggregate amount of Loans & Advances given to BJEL, the subsidiary of the company, including accrued interest considered thereon is Rs.4818.59 lakhs as per the books of account of the company. However, as per the statement of accounts received from the subsidiary, such amount aggregates to Rs.4833.77 lakhs. The difference is yet to be reconciled. After reconciliation, the account will be placed before the management for appropriate decision in the matter.

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.



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NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page - 19

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

v) An amount of 4818.59 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 31.03.2021 was Rs.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.1141.19 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
2020-21	2021-22	28.01
<b>Total</b>		<b>1141.19</b>

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.



*Polini Koley*



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Page-20

NOTE- 16 OTHER CURRENT ASSETS

	As at 31st March, 2021		As at 31st March, 2020	
			(Rs. In Lakh)	
a) Accruals				
Interest accrued on deposits	8.17		44.54	
Less :- Provision	<u>1.80</u>	6.37	<u>1.80</u>	42.74
b) Others				
Other Current Assets	454.47		362.17	
Less :- Provision	<u>244.62</u>		<u>244.62</u>	
		209.85		117.55
<b>TOTAL</b>		<u><u>216.22</u></u>		<u><u>160.29</u></u>

ADDITIONAL INFORMATION

Other Current Assets of Rs. 454.47 lakhs (Previous Year Rs. 362.17 Lakhs) includes input GST credit of Rs. 164.56 lakhs(Previous Year Rs. 107.80 Lakhs) which is expected to be adjusted against future GST liabilities.

NOTE- 17 ISDS Project

	As at 31st March, 2021		As at 31st March, 2020	
			(Rs. In Lakh)	
<b>TOTAL</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.

NOTE- 18 REVENUE FROM OPERATIONS

	(Rs. In Lakh)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of Jute Products	-	-
Other Operating Revenue	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

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, 2018-19, 2019-20 & 2020-21.

NOTE- 19 OTHER INCOME

	(Rs. In Lakh)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a) Interest Income		
Interest from Banks Deposits	267.55	403.86
Interest income on Loan to Subsidiary	<u>88.34</u>	<u>355.89</u> 492.10
b) Other Non-operating Income	2.01	57.36
<b>TOTAL</b>	<b><u>357.90</u></b>	<b><u>549.46</u></b>

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.267.55 lakhs ( Previous Year Rs. 403.86 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 Deposits.

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. The aggregate amount of loans and advances give to the subsidiary of the company, including accrued interest considered there on is Rs. 4818.59 lakhs as on 31.03.2021 as per books of accounts of the company. However , as per the statement of ac counts received from the subsidiary, such amount aggregates to Rs. 4833.79 lakhs. The difference is yet to be reconciled.

	(Rs. In Lakh)	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A) Other Non-operating Income comprises of		
i) Depreciation Adjustment for assets acquired with Govt. Grant	0.10	0.10
ii) Interest from CESC	-	-
ii) Prov. Written back	1.11	51.52
iii) Interest on I Tax Refund	-	3.45
iv) Others	<u>0.80</u>	<u>2.29</u> 57.36
<b>TOTAL</b>	<b><u>2.01</u></b>	<b><u>57.36</u></b>



*Indira Indefabre*



## NATIONAL JUTE MANUFACTURES CORPORATION LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.

## NOTE- 20 COST OF RAW MATERIALS CONSUMED

	For the year ended 31st March, 2021	For the year ended 31st March, 2020	(Rs. In Lakh)
Opening Stock	138.57	138.57	
Add :- Purchase	-	-	
	138.57	138.57	
Less: Jute Loss	-	-	
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, 2021	For the year ended 31st March, 2020	(Rs. In Lakh)
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	
	262.86	262.86	
Net increase / (decrease)	-	-	
TOTAL	-	-	

## NOTE- 22 EMPLOYEE BENEFITS EXPENSES

	For the year ended 31st March, 2021	For the year ended 31st March, 2020	(Rs. In Lakh)
Salaries	66.40	76.97	
Contribution to Provident Fund & Other Fund	1.32	1.41	
Gratuity	-	-	
Staff Welfare Expenses	0.02	0.04	
TOTAL	67.74	78.42	



*Rajini Patodi*



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

## NOTE 23 FINANCE COSTS

	For the year ended 31st March, 2021	(Rs. In Lakh) For the year ended 31st March, 2020
Interest on Borrowings from Govt. of West Bengal	35.53	32.39
<b>TOTAL</b>	<u>35.53</u>	<u>32.39</u>

## NOTE-24 OTHER EXPENSES

	For the year ended 31st March, 2021	(Rs. In Lakh) For the year ended 31st March, 2020
a) Manufacturing Expenses		
Power and fuel (Electricity)	3.82	5.58
Repairs and Maintenance - Buildings	-	0.04
Repairs and Maintenance - Machinery	-	-
Repairs and Maintenance - Others	1.32	0.14
	<u>5.14</u>	<u>5.76</u>
b) Administrative Expenses		
Rent	16.78	16.94
Rates and taxes	4.74	4.83
Insurance	3.37	6.77
Security Expenses	1.20	5.25
Professional Charges	1.85	1.26
Car Hire Charges	3.49	4.55
Travelling and Conveyance	2.84	5.11
Communication	0.52	0.55
Printing and stationery	1.10	0.48
Digitalization Charges	-	-
Computer Expenses	0.25	-
Branch Division Expenses	302.71	293.63
Legal Charges	5.37	2.76
Bank Charges	0.13	0.14
Provision for doubtful trade and other receivables	79.50	70.14
Provision for Input GST	-	-
Prior period Items(Net)	6.51	10.12
Miscellaneous expenses	11.89	14.13
Interests & penalties on delayed payments	2.80	5.82
Advertisement	1.68	3.85
	<u>446.73</u>	<u>446.31</u>



*Jalini Bhatnagar*



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

Page-24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.  
NOTE- 24 OTHER EXPENSES(CONTD.)

	For the year ended 31st March, 2021	(Rs. In Lakh) For the year ended 31st March, 2020
Auditors Remuneration :		
a) Statutory Auditors:		
i) Statutory Audit Fees	1.37	1.37
ii) Tax Audit Fees	-	-
b) Other Auditors		
i) Tax Audit Fees	0.36	0.36
ii) Others Audit Fees	-	0.38
	<u>1.73</u>	<u>2.11</u>
 TOTAL	 <u>453.60</u>	 <u>454.20</u>

ADDITIONAL INFORMATION

i) Prior Period items (net) include:

	For the year ended 31st March, 2021	(Rs. In Lakh) For the year ended 31st March, 2020
Prior Period Expenses	6.51	9.98
Depreciation	-	0.14
	<u>6.51</u>	<u>10.12</u>

NOTE- 25 EARNING PER SHARE

	For the year ended 31st March, 2021	(Rs. In Lakh) For the year ended 31st March, 2020
Profit / (Loss) after tax as per Statement of Profit and Loss ( Rs. In Lakh)	(238.94)	(61.72)
Weighted average Number of equity share	557974	557974
Earnings per share (Rs.) - Basic	(42.82)	(11.06)
Earnings per share (Rs.) - Diluted	(42.82)	(11.06)



*Indira Koley*

## NATIONAL JUTE MANUFACTURES CORPORATION LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

## 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. NBCC India has started the assignment and submitted their first draft report on 21st September, 2020. A committee was constituted for verification of report. The committee has observed some discrepancies which were conveyed to NBCC India. Reverification of the assets is under process.

- 2) These Financial Statements incorporate the Accounts pertaining to the Units of Corporate Office and 6 mills of the company viz Kinnison, RBHM, Khardah, National, Union and Alexandra.

- 3) Related Party Transactions

- i) Details of Parties :

Description of Relationship	Name of related Parties
Subsidiary Company	Birds Jute & Exports Limited
Key Management Personnel	Sri Moley 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 as at 31 March 2019 :

(Rs. In Lakh)

- a) With subsidiary company:

Particulars	As at	
	31st March, 2021	31st March, 2020
Opening Balance of loan to Subsidiary	4,739.09	4,668.95
Transactions during the year	-	-
Interest charged	88.34	88.25
Less: TDS FY 2020-21	(8.83)	-
Less: TDS FY 2019-20	-	(8.82)
Less: TDS FY 2018-19	-	(9.28)
Closing Balance	4,818.60	4,739.09

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

b) With Key Managerial Personnel : Remuneration paid as Company Secretary	4.39	2.56
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4) Employee Benefits expenses include Director's Remuneration as below :-		
Particulars	Current Year	Previous Year
Remuneration	Nil	Nil
Contribution to P.F. Fund	Nil	Nil
Gratuity	Nil	Nil

(Rs. In Lakh)

5	Particulars	For the year ended	
		31st March, 2021	31st March, 2020
a)	Expenditure/Remittance in Foreign Currency	Nil	Nil
b)	Earnings in Foreign Exchange	Nil	Nil



Malini Mahapatra



NATIONAL JUTE MANUFACTURES CORPORATION LTD.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.

## NOTE- 26 Condt.....

6). The Company's operations pertain to manufacture and selling of single Jute Product for sale in the Domestic Market only. As such

7). The company has net deferred tax asset at the year end. However, in view of the substantial losses incurred in a number of past

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, 2021	As at 31st March, 2020
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 2010-11 Rs 0.003, 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. 38.04 lakh, Financial Year 2013-14 Kinnison - Rs. 67.02 Lakh, Khardah - Rs. 40.18 Lakh & Financial Year 2014-15 Kinnison - Rs. 27.47 Lakh, Financial Year 2015-16 Kinnison - Rs. 3.18 Lakh & 0.01 Lakhs, Financial Year 2017-18 Khardah Rs 0.11Lakh and Kinnison Rs 0.22 Lakh)	223.09	220.18
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	-	-
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	440.01
B)	Commitments	-	-
	<b>Total</b>	<b>704.51</b>	<b>701.61</b>



*Palini Palani*





**NATIONAL JUTE MANUFACTURES CORPORATION LTD.**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021.**

## 10) Contingent liabilities and commitments not provided for

SL. NO.	Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Contingent Liabilities</b>			
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
<b>Total</b>		<b>1.47</b>	<b>1.47</b>

## 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

Summary of significant Accounting Policies &amp; Other Explanatory

1

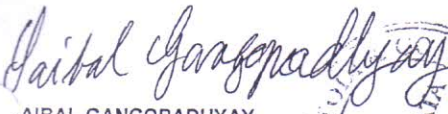
For and on behalf of the Board

Notes form an integral part of this financial statement

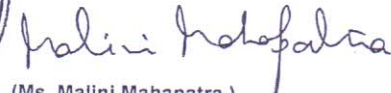
1-26

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

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

  
AIBAL GANGOPADHYAY  
Partner  
Membership No. 300680  
UDIN: 21300680AAAAA6255



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

Place : Kolkata  
Date : 10.09.2021