

**ANNUAL REPORT**  
**2018 - 2019**

**The Naihati Jute Mills Company Limited**

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## **BOARD OF DIRECTORS**

JUGAL KISHORE BHAGAT – *Chairman and Managing Director – DIN 00055972*

GAUTAM UKIL\* – *Independent Director – DIN 00056595*

ALOK KUMAR KHASTAGIR – *Independent Director – DIN 00124558*

SMT. NISHA AGRAWAL# - *Independent Director – DIN 01007810*

SUBHAKIRTI MAJUMDAR – *DIN 00820573*

\* Till his death on 21<sup>st</sup> June, 2019

# Redesignated as Independent Director on 4<sup>th</sup> July, 2019

### **SENIOR MANAGEMENT**

RAVI BHAGAT – *Chief Executive Officer*

ASHUTOSH BHAGAT – *Joint Chief Executive Officer*

### **CHIEF FINANCIAL OFFICER**

CA KISHOR KUMAR SONTHALIA

### **COMPANY SECRETARY**

CS GOPAL PRASAD CHOUDHARY

### **AUDITORS**

B. CHHAWCHHARIA & CO.  
*Chartered Accountants*

### **COST AUDITORS**

D. RADHAKRISHNAN & CO.  
*Cost Accountants*

### **BANKERS**

PUNJAB NATIONAL BANK  
UNITED BANK OF INDIA  
AXIS BANK  
STATE BANK OF INDIA

### **REGISTERED OFFICE**

7, HARE STREET (4TH FLOOR)  
KOLKATA-700001  
Phone: 33 4000 4570 Fax: 33 4000 4584  
E-mail: [naihati@naihatijute.com](mailto:naihati@naihatijute.com)  
Website: [www.naihatijute.com](http://www.naihatijute.com)

### **MILLS**

HAZINAGAR  
NORTH 24 PARGANAS-743135  
WEST BENGAL

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# THE NAIHATI JUTE MILLS COMPANY LIMITED

## NOTICE

### TO THE MEMBERS

NOTICE is hereby given that the 114th Annual General Meeting of The Naihati Jute Mills Company Limited will be held at Conference Room, 4th Floor, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017 on Monday, the 16th day of September, 2019 at 3.30 P.M. to transact the following business:

1. To receive, consider and adopt the Financial Statements for the financial year ended 31st March, 2019 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Subhakirti Majumdar (DIN: 00820573), who retires by rotation and, being eligible, offers himself for re-appointment.

### Special Business

3. To re-appoint Shri Jugal Kishore Bhagat (DIN: 00055972) as Chairman and Managing Director and to fix his remuneration and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196,197, 198, 200 and 201 read with Schedule V thereto and all other applicable provisions, if any, of the Companies Act, 2013 and subject to such approvals and sanctions as may be necessary, the Company hereby accords its consent and approval to the re-appointment of Shri Jugal Kishore Bhagat (DIN: 00055972) as Chairman and Managing Director of the Company for a further term of three years with effect from 1st October, 2019 on the terms and conditions and remuneration (including remuneration to be paid in the event of any loss or inadequacy of profit in any financial year during the term of Office of Shri Jugal Kishore Bhagat) as set out in the Agreement entered into between the Company and Shri Jugal Kishore Bhagat, a copy whereof is placed before the Meeting which Agreement is hereby specifically approved and sanctioned.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required.”

4. To re-appoint Shri Alok Kumar Khastagir (DIN: 00124558) as an Independent Director and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Shri Alok Kumar Khastagir (DIN: 00124558) be and is hereby appointed as an Independent Director on the Board of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 1st October, 2019.”

5. To appoint Smt. Nisha Agrawal (DIN: 01007810) as an Independent Director and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (Act) and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Smt. Nisha Agrawal (DIN: 01007810) who was appointed as a Director liable to retire by rotation under the provisions of the Act and who qualifies for being appointed as an independent director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from 4th July, 2019”.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### NOTICE (contd.)

6. To ratify the remuneration payable to Cost Auditors as approved by the Board of Directors and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the remuneration of Rs.25,000 plus applicable taxes and re-imbursment of out of pocket expenses as approved by the Board of Directors payable to Messrs D. Radhakrishnan & Co., Cost Accountants (Registration No. 000018), who have been appointed by the Board of Directors as Cost Auditors to conduct the audit of cost accounts of the Company for the financial year ended 31st March, 2020 be and is hereby ratified”.

Registered Office  
7, Hare Street,  
(4<sup>th</sup> Floor), Kolkata- 700001  
Dated 21st August, 2019

By Order of the Board  
CS GOPAL PRASAD CHOUDHARY  
Company Secretary

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#### Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than fortyeight hours before the time of commencement of the meeting.** A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the meeting.
2. A Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Messrs B. Chhawchharia & Co., Chartered Accountants (ICAI Registration No. 305123E) was appointed as Statutory Auditors of the Company by the members at Annual General Meeting (AGM) of the Company held in the year 2017 to hold office from the conclusion of that AGM until conclusion of the sixth consecutive AGM on a remuneration to be mutually agreed upon with the Board of Directors subject to ratification by the members at every AGM. Consequent to the amendment in Section 139 of the Companies Act, 2013, vide which the proviso requiring ratification of such appointment by members at every AGM has been omitted, no item has been included in this Notice towards ratification of such appointment. Accordingly, Messrs B. Chhawchharia & Co. shall continue to hold the office as Statutory Auditors of the Company for the remaining term of their appointment as approved by the members at the AGM held in the year 2017 without ratification of such appointment at every AGM.
4. The Register of Directors and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Meeting.
5. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Meeting.
6. Attendance slip, proxy form and the route map of the venue of the meeting are annexed hereto.
7. Members are requested to bring their copy of Annual Report at the Meeting.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### NOTICE (contd.)

#### STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 (ACT)

**Item 3:** Shri Jugal Kishore Bhagat (Shri Bhagat) was re-appointed as Managing Director of the Company for a term of three years with effect from 1st October, 2016. Thus, the term of his Office as Managing Director will expire on 30th September, 2019. Since Shri Bhagat is aged above 70 years, the Nomination and Remuneration Committee while recommending his re-appointment, noted in terms of Section 196 of the Act that Shri Bhagat is keeping good health and sound mind. He regularly attends the Office of the Company to discharge his duties and deliberates all Board Meetings of the Company and the Committee Meetings of the Company of which he is a member. He takes all policy decisions on the issues emerging out of the business of the Company and interacts with the Officers below i.e. Chief Executive Officer, Joint Chief Executive Officer, Company Secretary and Chief Financial Officer. He continues to be the Managing Director of the Company since the year 1969 and considering his rich experience and long association with the Company at this position and so long he is active in discharging his duties, any change at the helm of the Company is not desired.

In view of the justification as stated above the Board of Directors on recommendation of Nomination and Remuneration Committee has re-appointed Shri Bhagat as Managing Director for a further term of 3 years with effect from 1st October, 2019 on the following terms and conditions:

- a) SALARY: ₹ 4,50,000 (Rupees Four lakhs fifty thousand only) per month.
- b) COMMISSION: At the rate of 3% (three percent) of profits of the Company for each financial year and within the permissible limits specified in the Act and shall be payable on pro-rata basis for any broken period/year.
- c) ALLOWANCES AND PERQUISITES: Shri Bhagat will be entitled to the following allowances and perquisites in addition to salary and commission, allowances and perquisites being limited to 75% of his annual salary. Unless the context otherwise requires, allowances and perquisites are classified into three categories A, B and C as follows:

#### **Category - A**

This will comprise of house rent/house rent allowance, leave travel concession, medical reimbursement, fees of clubs and personal accident insurance. These may be provided for as under:

#### *Housing*

- i) Reimbursement of rent for residential accommodation of the Managing Director not exceeding 60% of the salary over and above 10% payable by the Managing Director. However, in lieu of rent for residential accommodation, House Rent Allowance not exceeding 60% of the salary may be paid.
- ii) The Expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962.

#### *Medical Reimbursement*

Reimbursement of expenses actually incurred on self and family

#### *Leave/Holiday Travel Expenses*

Reimbursement of all the expenses incurred during leave/holiday travel period in respect of himself and family while proceeding on leave/holiday to any place in India or abroad subject to a ceiling of one month's salary per annum. The entitlement in respect of any one year to the extent not availed of shall be allowed to be accumulated up to the next two years.

**NOTICE** (contd.)

*Club Fees*

Fees of Clubs subject to a maximum of two Clubs. This will not include admission and life membership fees.

*Personal Accident Insurance*

Of an amount, the annual premium of which does not exceed ₹ 20,000 per annum.

*Travelling Expenses*

While travelling on the Company's business purposes, the Managing Director will be entitled to be accompanied by his wife, and the travelling and other incidental expenses incurred by his wife will also be borne/reimbursed by the Company.

**Category – B**

- i) Contribution to Provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable should not exceed half a month's salary for each completed year of service and will not be included in the computation of the ceiling on perquisites.
- iii) Encashment of Leave at the end of the tenure will be permitted as per rules of the Company subject to a maximum of three months' salary and will not be included in the computation of the ceiling on perquisites.

**Category – C**

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Shri Bhagat.

**Minimum Remuneration**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of Office of Shri Bhagat, the Company may pay him remuneration by way of salary, perquisites and other allowances not exceeding the ceiling of ₹ 93,00,000 per annum or ₹ 7,75,000 per month.

The Managing Director shall not be paid any sitting fee for attending the meetings of Board of Directors or a Committee thereof.

The Company has defaulted dues of Sales-tax loan from Government of West Bengal (through WBIDC) and the Company has obtained the approval from West Bengal Industrial Development Corporation Limited (WBIDC) for the re-appointment of Managing Director.

Copy of agreement executed between the Company and Shri Bhagat is available for inspection at the Registered Office of the Company on any working day upto the date of the Annual General Meeting (AGM) between 11.00 A.M. and 1.00 P.M. and also at the AGM.

Except Shri Bhagat, none of the other Directors of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommend passing of the proposed Special Resolution as set out at item 3 of the notice.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## NOTICE (contd.)

### Statement pursuant to sub-clause (iv) of second proviso to clause (B) of section II of part II of Schedule V of the Act

#### I. General Information

- 1) Nature of industry Manufacturer of Jute Goods
- 2) Date or expected date of commencement of commercial production 1905
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus Being an existing Company, not applicable.
- 4) Financial performance based on given indicators (₹ in lakh)

Year ending 31 <sup>st</sup> March	Sales	Operating Profit	Profit before Tax	Profit after Tax
2015	14470	80	(421)	(302)
2016	20593	709	423	272
2017	23350	873	563	362
2018	23043	761	439	270
2019	23369	484	155	129

- 5) Foreign investments or collaborations, if any There are 6 Foreign Shareholders holding 143 Ordinary Shares of Rs.100 each. The Company does not have any foreign collaboration.

#### II. Information about the Appointee

- 1) Background details  
Shri Bhagat is an eminent industrialist. He is a graduate in Commerce from St. Xavier's College, Kolkata. He has significant experience in business. He has occupied several important positions in various industries associations such as Council of Management of Indian Jute Industries' Research Association, Committee Member of Indian Jute Mills Association for a long period. Also a Director of another jute manufacturing company, Ludlow Jute & Specialities Limited.

- 2) Past Remuneration

Year	Amount (₹)
2018-19	70,26,372
2017-18	80,38,005*
2016-17	43,75,994
2015-16	44,83,834
2014-15	45,01,160

\* Includes arrear remuneration of the year 2016-17 ₹11,85,000

**NOTICE** (contd.)

- |  |  |
|--|--|
| 3) Recognition or awards   | ---  |
| 4) Job profile and his suitability   | Shri Bhagat devotes whole time attention to the management of the affairs of the Company and exercises powers subject to the superintendence, direction and control of the Board of Directors. He is responsible for the day-to-day management of the Company and carries out duties as entrusted to him from time to time by the Board of Directors. Though Shri Bhagat is aged above 70 years, he is active in discharging his duties as stated above. |
| 5) Remuneration Proposed   | Salary ₹ 4,50,000 per month alongwith with Commission @ 3% of the net profits computed in the manner laid down under Sections 197 and 198 of the Act and other allowances and perquisites, as spelt out in the Statement hereinabove.  |
| 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person    | The remuneration proposed is in consonance with similar position in the Industry.  |
| 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any. | Except salary, commission and perquisites to be received from the Company and to receive dividend declared by the Company, Shri Bhagat does not have any pecuniary relationship directly or indirectly with the Company or relationship with any managerial personnel of the Company.  |

**III. Other information**

- |  |  |
|--|--|
| 1) Reasons of loss or inadequate profits                             | There is profit in the Company at present, but as abundant caution for payment of minimum remuneration to Shri Bhagat, in case of no profit or inadequate profit in any particular year, this information is provided to the shareholders. |
| 2) Steps taken or proposed to be taken for improvement               |  |
| 3) Expected increase in productivity and profits in measurable terms | 10% approximately  |

**IV. Disclosures**

The Company is not a listed Company and “Corporate Governance” is not included in the of Report of Board of Directors”

**Item 4:** Shri Alok Kumar Khastagir (DIN: 00124558) was appointed as an Independent Director on the Board of the Company with effect from 1st October, 2014 to hold office for a term of 5 (five) consecutive years from the date of his appointment.

In accordance with the provisions of Sections 149 and 152 read with Schedule IV of the Act and the Rules framed thereunder, an Independent Director can hold office for a term of up to 5 (five) consecutive years on the Board of a Company and can be re-appointed for one more term of 5 (five) consecutive years with the approval of Shareholders by way of a Special Resolution.

As the current term of 5 (five) years of Shri Alok Kumar Khastagir will expire on 30th September, 2019, re-appointment of Shri Alok Kumar Khastagir for a second term of 5 (five) consecutive years from 1st October, 2019 would require approval of the Shareholders by way of a Special Resolution in accordance with Sub-section (10) of Section 149 of the Act.



## THE NAIHATI JUTE MILLS COMPANY LIMITED

### NOTICE (contd.)

The Nomination and Remuneration Committee and the Board at its meeting held on 4th July, 2019 noted that Shri Khastagir, during the span of his tenure as Independent Director, has actively participated in the affairs of the Company and has made enormous contribution to the functioning and performance of the Company.

The Board is of the unanimous view that it will be in the best interest of the Company to re-appoint him as Independent Director for a second term of 5 (five) consecutive years.

**Item 5:** Smt. Nisha Agrawal (DIN: 01007810) was appointed as a Director on the Board of the Company on 9th August, 2014 whose period of office was liable to determination by retirement of directors by rotation. She had been regularly attending Board and Committee Meetings of the Company and made her valuable contribution to the functioning and performance of the Company. She is a person of integrity and possesses relevant expertise and experience. She fulfils the criteria of independence of becoming an Independent Director in terms of Section 149(6) of the Act.

The Board of Directors at its meeting held on 4th July, 2019 re-designated and appointed Smt. Nisha Agrawal as Independent Director on the Board of the Company, subject to the approval of Shareholders, to hold office for a period of 5 (five) consecutive years with effect from 4th July, 2019 and whose office shall not be liable to determination by retirement of directors by rotation.

Smt. Nisha Agrawal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her declaration that she meets the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Act. In the opinion of the Board, Smt. Nisha Agrawal fulfils the conditions for appointment as an Independent Director as specified in the Act.

Copy of letter of appointment of Smt. Nisha Agrawal setting out the terms and conditions are available for inspection by the members at the registered office of the Company.

The Board considers that the continued association of Smt. Nisha Agrawal would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director.

Smt. Nisha Agrawal is interested in the resolution set out as Item 5 of the Notice with regard to her appointment. The relatives of Smt. Nisha Agrawal may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Ordinary Resolution set out at Item 5 of the Notice for approval by the Shareholders.

**Item 6:** The Board of Directors had appointed Messrs D. Radhakrishnan & Co., Cost Accountants (Registration No.000018), as Cost Auditors to carry out the audit of the cost accounts in respect of jute goods for the financial year ended 31st March, 2020 at a remuneration of ₹ 25,000 plus applicable taxes and reimbursement of out of pocket expenses incurred by them.

In terms of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members.

The Board recommends the passing of the proposed Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors.

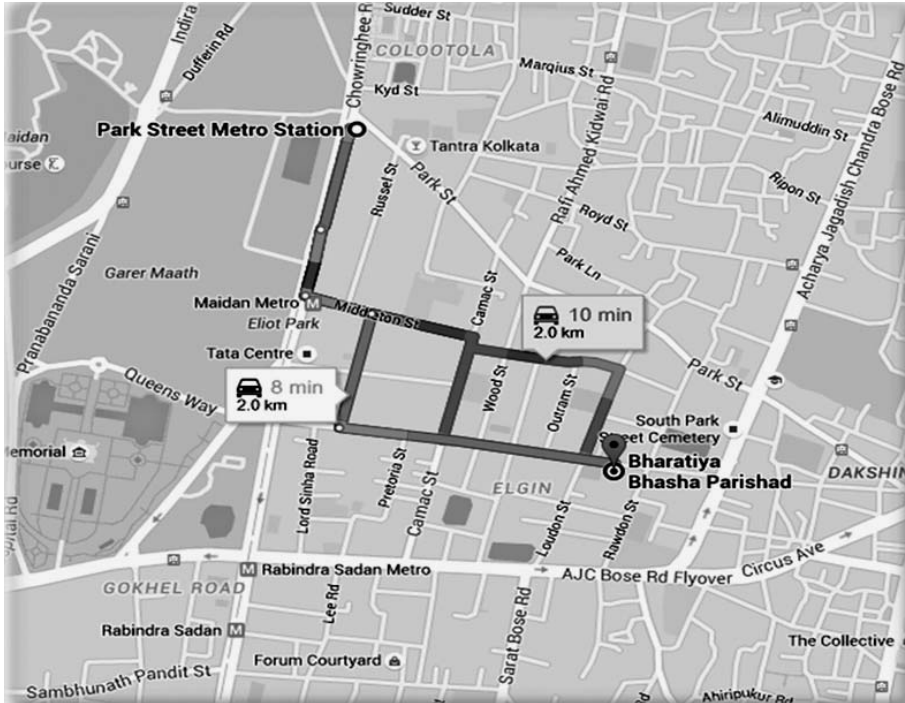
Registered Office  
7, Hare Street,  
(4<sup>th</sup> Floor), Kolkata - 700001  
Dated 21<sup>st</sup> August, 2019

By Order of the Board  
CS GOPAL PRASAD CHOUDHARY  
Company Secretary

NOTICE (Contd.)

**ROUTE MAP**

To the venue of 114th Annual General Meeting at Conference Room, 4th Floor  
Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017



***“The prominent landmark near the venue is Rani Birla College.”***

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## DIRECTORS' REPORT

### TO THE MEMBERS

The Directors of your Company present their Annual Report and Financial Statements for the year ended 31st March, 2019.

### FINANCIAL RESULTS

(₹ in lakhs)

Profit for the year before finance cost, depreciation and taxation		<b>483.88</b>
From which have been adjusted		
i) Finance Cost	<b>107.17</b>	
ii) Provision for Depreciation	<b>221.48</b>	
iii) Provision for Tax	<b>47.50</b>	
iv) Provision for Deferred Tax	<b>-20.81</b>	<b>355.34</b>
leaving a surplus of		<b>128.54</b>

which is carried forward to Balance Sheet

In order to conserve the financial resources the Directors have not recommended any dividend for the year.

### OPERATIONS

The performance of the jute mill of the Company during the year under review was poor and not up to the mark. The financial performance in response resulted in lower profitability.

During the year, Government of India increased the reservation norms from 90% to 100% for packing foodgrains and retained the norms at 20% in respect of packing of sugar which was a welcome move for the Jute Industry.

Production, Turnover, Profitability and Earning per share show the undernoted position during the year under review as compared to previous year.

	<u>Year 2018-19</u>	<u>Year 2017-18</u>
Production (M.Tonnes)	<b>29398</b>	30135
Total Turnover (₹ in lakhs)	<b>23369.08</b>	23043.37
Profit before taxation (₹ in lakhs)	<b>155.23</b>	439.39
Profit after taxation (₹ in lakhs)	<b>128.54</b>	270.12
Earning per Share of Face value of ₹ 100 (₹)	<b>59.93</b>	125.94

### OUTLOOK

The ensuing raw jute crop is expected to be a bit better than the previous jute year due to favourable weather conditions during the sowing period combined with reasonably better prices received by the farmers last year. However the present almost drought situation prevailing in the South Bengal agencies may adversely affect the crop quality of the area.

The flow of sacking orders from Government Agencies remain buoyant on the back of increased foodgrain procurement by all the States. The private domestic market for both sacking and hessian is sluggish for last few years which is a matter of serious concern. The influx of jute goods from Bangladesh continues unabated inspite of tariff protection in the form of Anti-dumping duties provided by the Government of India.

Tripartite labour agreement between the Industry, Unions and Government of West Bengal was concluded during the previous year. This has resulted in substantial wage cost increase for the Industry. This wage increase however had no impact on the shortage and absenteeism of workers which continues unabated.

### DIRECTORS

Shri Jugal Kishore Bhagat has been re-appointed as Managing Director of the Company for a further term of three years with effect from 1<sup>st</sup> October, 2019 by the Board of Directors subject to approval of Shareholders of the Company and such other approvals and sanctions as may be necessary.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### **DIRECTORS' REPORT** (contd.)

Shri Gautam Ukil, Independent Director expired on 21<sup>st</sup> June, 2019. The Directors placed on record their appreciation for the valuable guidance and advices rendered by Shri Gautam Ukil during the long tenure of his office as Director of the Company.

The term of Shri Alok Kumar Khastagir as an Independent Director will expire on 30<sup>th</sup> September, 2019. The Board had re-appointed him as an Independent Director for a second term of 5 (five) years from 1<sup>st</sup> October, 2019 subject to approval of Shareholders by way of a Special Resolution in accordance with Section 149(10) of the Companies Act, 2013 (Act).

Smt. Nisha Agrawal was re-designated as an Independent Director to hold office for a term of 5 (five) consecutive years with effect from 4<sup>th</sup> July, 2019.

As per provisions of Section 152 of the Act, Shri Subhakirti Majumdar, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence laid down in Section 149(6) of the Act.

### **BOARD MEETINGS**

During the year under review, four meetings of the Board of Directors were held on 20<sup>th</sup> June, 2018, 8<sup>th</sup> September, 2018, 1<sup>st</sup> December, 2018 and 7<sup>th</sup> March, 2019.

Apart from meetings of the Board of Directors, different Committees met several times during the year.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3)(c) of the Act, the Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them, make the following statements that :

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- b. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **REMUNERATION POLICY**

Remuneration Policy approved by the Board on the recommendation of Nomination and Remuneration Committee is in force. Remuneration of employees consists of basic salary and perquisite. Remuneration to employees is based on their qualification, experience, responsibilities held and their performance. The objective of the remuneration policy is to motivate employees to excel in the performance, recognise their contribution, retain talent in the organisation and reward merits.

### **PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT**

The Company has not given any loan, guarantee or made any investment exceeding sixty percent of paid up share capital, free reserve and securities premium account or hundred percent of its free reserve and securities premium account, whichever is more, as prescribed in Section 186 of the Act.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Particulars of contracts/arrangements with related parties in terms of Section 188(1) of the Act is provided in Form No. AOC-2 which is annexed as Annexure-'A' which forms part of the Report.

## **THE NAIHATI JUTE MILLS COMPANY LIMITED**

### **DIRECTORS' REPORT** *(contd.)*

#### **TRANSFER TO RESERVES**

No amount is proposed to carry to any reserve during the year.

#### **EVENTS SUBSEQUENT TO THE END OF FINANCIAL YEAR**

There is no material changes and commitments subsequent to the end of the financial year.

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

In terms of provisions of Section 135 of the Act, the Company has formed a CSR Committee and formulated a CSR policy. The details have been annexed in prescribed format as Annexure "B"

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Information in accordance with the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo is provided in the Annexure - 'C', which forms part of this Report.

#### **EXTRACT OF ANNUAL RETURN**

In terms of provisions of Section 134(3)(a) of the Act, the extract of Annual Return as provided under Section 92(3) of the Act in Form No. MGT-9, is annexed as Annexure - 'D' which forms part of this Report. The Annual Return would be available on the website of the Company ([www.naihatijute.com](http://www.naihatijute.com)).

#### **DEPOSITS**

The Company has neither invited nor accepted any deposit from the public under Section 73 of the Act and Rules made thereunder, during the year under review.

#### **SIGNIFICANT AND MATERIAL ORDERS**

There is no significant and material order passed by any of the regulators, courts of law or tribunals impacting the going concern status of the Company or its operations in future.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial control procedures commensurate with the size, scale and complexity of its operation, which are well supplemented by surveillance of Internal Auditors.

#### **AUDITORS AND AUDITORS' REPORT**

Messrs B. Chhawchharia & Co., Chartered Accountants (ICAI Registration No. 305123E) were appointed as Auditors of the Company at the Annual General Meeting (AGM) held on 1<sup>st</sup> September, 2017 to hold office from the conclusion of the said AGM until the conclusion of sixth consecutive AGM on a remuneration to be mutually agreed upon with the Board of Directors.

The Company as a policy has been accounting for the due gratuity liability for the workers who have retired/ceased to work from the service of the Company. However, the Company has also been gradually funding partially against the accrued liability of gratuity of the existing staff and workers.

The request of the Company to the State Government and its Nodal Agency, West Bengal Industrial Development Corporation Limited for One Time Settlement of the outstanding dues is under consideration. As the Company expects substantial relief, no provision has been made for interest since 1<sup>st</sup> April, 2000 and for any additional liability, if any, on this account.

#### **COST AUDITORS AND COST RECORDS**

Messrs D. Radhakrishnan & Co., Cost Accountants, on the recommendation of the Audit Committee, have been appointed as Cost Auditors of the Company to conduct the audit of the cost accounts maintained by the Company for the year ended 31<sup>st</sup> March, 2020 at a remuneration of ₹25,000 plus applicable taxes and reimbursement of out of pocket expenses incurred by them subject to ratification of remuneration by the members of the Company at the forthcoming AGM.

The Company has maintained cost records as specified by the Central Government under Section 148(1) of the Act and cost accounts and records have accordingly been made and maintained.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### **DIRECTORS' REPORT** *(contd.)*

#### **SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

#### **SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint Venture or Associate Company within the meaning of the Act.

#### **DISCLOSURE UNDER SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment of any of the female employees (permanent, contractual, temporary, trainees). No complaint has been received during the calendar year 2018.

#### **STAFF AND LABOUR**

Industrial relations remained harmonious during the year.

The Company is providing scholarship to the girl children of workers on qualifying Secondary and Higher Secondary Education through a scheme of National Jute Board.

There is no employee in respect of whom particulars pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 are required to be given.

#### **RISK MANAGEMENT POLICY**

In terms of Section 134(3)(n) of the Act, the Board of Directors has adopted a Risk Management Policy which includes identification of element of risk, its mitigation and other related factors.

#### **ACKNOWLEDGEMENT**

The Directors would like to express their appreciation for the unstinted support received from Financial Institutions, Banks and Central and State Governments. The Directors also express their appreciation for the dedicated services rendered to the Company by the employees and workers at all levels.

For and on behalf of the Board

JUGAL KISHORE BHAGAT  
*Chairman and Managing Director*  
DIN: 00055972

Kolkata  
4<sup>th</sup> July, 2019

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## ANNEXURE – A TO DIRECTORS' REPORT

FORM No. AOC-2

*[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

1 Details of contracts or arrangements or transactions not at arm's length basis	
The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during the financial year 2018-19	
2 Details of material contracts or arrangement or transactions at arm's length basis	
(a) Name(s) of the related party and nature of relationship	1) Shri Ravi Bhagat 2) Shri Ashutosh Bhagat - both sons of Shri Jugal Kishore Bhagat, Chairman and Managing Director
(b) Nature of contracts/ arrangements/ transactions	Appointment as 1) Chief Executive Officer 2) Joint Chief Executive Officer
(c) Duration of the contracts / arrangements / transactions	Three years with effect from 1 <sup>st</sup> April, 2016
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Salary 1) ₹250,000 per month (in the scale of ₹250,000- ₹25,000 - ₹300,000)* 2) ₹245,000 per month (in the scale of ₹245,000- ₹25,000 - ₹295,000)* *Plus other allowances, perquisites, benefits and amenities as applicable to other senior executives of the Company
(e) Date (s) of approval by the Board, if any:	11 <sup>th</sup> February, 2016
(f) Amount paid as advance, if any	Nil.

For and on behalf of the Board

JUGAL KISHORE BHAGAT  
Chairman and Managing Director  
DIN: 00055972

Kolkata  
4<sup>th</sup> July, 2019

**ANNEXURE – B TO DIRECTORS’ REPORT**

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link for the CSR policy and project or programs.  
The CSR Policy of the Company was approved by Board of Directors and the web-link is [www.naihaticjute.com](http://www.naihaticjute.com)
2. The Composition of the CSR Committee
  1. Shri Alok Kumar Khastagir (Chairman) : Independent Director
  2. Shri Jugal Kishore Bhagat : Chairman and Managing Director
  3. Smt. Nisha Agrawal : Director
3. Average net profit of the company for the last three financial years : ₹ 476.15 lakhs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 9.52 lakhs
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: ₹ 9.52 lakhs
  - (b) Amount unspent, if any : ₹ 9.52 lakhs
  - (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
	<b>Total</b>						

\*Give details of implementing agency :

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:  
The Company has endeavoured to ensure the spending the allocated CSR Budget but could not do so during the year. The unspent amount of CSR Budget of ₹ 13.31 lakhs (₹ 3.79 lakhs for the year 2017-18 plus ₹ 9.52 lakhs for the year 2018-19) will be combined with the amount of CSR Budget for the year 2019-20.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:  
The Company wishes to inform the members that it is well aware and taking care of its social responsibilities and will spend the fund of ₹13.31 lakhs for CSR activity during the current year i.e. 2019-20.

JUGAL KISHORE BHAGAT  
*Chairman and Managing Director*  
DIN: 00055972

ALOK KUMAR KHASTAGIR  
*Chairman, CSR Committee*  
DIN: 00124558



## THE NAIHATI JUTE MILLS COMPANY LIMITED

### ANNEXURE – C TO DIRECTORS’ REPORT

#### Conservation of energy, Technology absorption, Foreign exchange earnings and outgo:

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

<b>(A) Conservation of energy</b>	
(i) The steps taken or impact on conservation of energy	Following steps taken for conservation of energy have reduced consumption of energy: 1) Conversion of higher HP motors with lower HP motors in weaving department. 2) Installation of energy saving lamps. 3) Regular monitoring of steam, boiler and compressor to minimize losses. 4) Proper utilisation of capacitors on respective areas
(ii) The steps taken by the company for utilising alternate sources of energy	The Company is using jute caddies in place of coal for steam generation.
(iii) The capital investment on energy conservation equipments	No capital investment on energy conservation equipment was made during the year under review. The aforesaid electrical items procured during the year were consumable in nature.
<b>(B) Technology absorption</b>	
(i) The efforts made towards technology absorption:	The Company is making continuous efforts in installing high productive machines by keeping track of latest development.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	Improvement of operational efficiency and in quality.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) the details of technology imported b) the year of import c) whether the technology been fully absorbed d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	No technology has been imported during the last three years.
(iv) The expenditure incurred on Research and Development	The Company does not have in-house Research and Development facility and no expenditure has been incurred in this regard.
<b>(C) Foreign Exchange Earnings and outgo</b>	
(i) Foreign Exchange earned in terms of actual inflows	₹ 1728.85 lakhs
(ii) Foreign Exchange outgo in terms of actual outflows	₹ 95.62 lakhs

For and on behalf of the Board

JUGAL KISHORE BHAGAT  
Chairman and Managing Director  
DIN: 00055972

Kolkata  
4<sup>th</sup> July, 2019

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**ANNEXURE – D TO DIRECTORS’ REPORT**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31<sup>st</sup> March, 2019**

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

**I. REGISTRATION AND OTHER DETAILS**

1	CIN	U17119WB1905PLC001612
2	Registration Date	14 <sup>th</sup> June, 1905
3	Name of the Company	The Naihati Jute Mills Company Limited
4	Category/Sub-category of the Company	Public Company limited by shares
5	Address of the Registered office and contact details	7, Hare Street, (4 <sup>th</sup> Floor), Kolkata-700001 Phone : 91-33-4000 4570/2248 9904 Fax : 91-33-4000 4584/2248 4062 E-mail : naihati@naihatijute.com
6	Whether listed company	No
7	Name, Address & Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 23, R. N. Mukherjee Road, 5 <sup>th</sup> Floor, Kolkata-700001 Phone : 91-33-2243 5029/2248-2248 E-mail : mdpldc@yahoo.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and description of main products/services	NIC code of the product/service	% to total turnover of the Company
1	Jute Products	131, 139	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
None					

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**ANNEXURE – D TO DIRECTORS’ REPORT (contd.)**

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**

**i) Category-wise Shareholding**

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
	a) Individual/ HUF	196061	76	196137	91.45	196061	76	196137	91.45	-
	b) Central Govt	-	-	-	-	-	-	-	-	-
	c) State Govt(s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	7795	-	7795	3.63	7795	-	7795	3.63	-
	e) Banks / FI	-	-	-	-	-	-	-	-	-
	f) Any Other....	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(1):-</b>	<b>203856</b>	<b>76</b>	<b>203932</b>	<b>95.08</b>	<b>203856</b>	<b>76</b>	<b>203932</b>	<b>95.08</b>	<b>-</b>
<b>2</b>	<b>Foreign</b>									
	a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	b) Other - Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks/FI	-	-	-	-	-	-	-	-	-
	e) Any Other....	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>203856</b>	<b>76</b>	<b>203932</b>	<b>95.08</b>	<b>203856</b>	<b>76</b>	<b>203932</b>	<b>95.08</b>	<b>-</b>
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks / FI	49	378	427	0.20	49	378	427	0.20	-
	c) Central Govt	75	-	75	0.03	75	-	75	0.03	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	85	85	0.04	-	85	85	0.04	-
	g) FIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1):-</b>	<b>124</b>	<b>463</b>	<b>587</b>	<b>0.27</b>	<b>124</b>	<b>463</b>	<b>587</b>	<b>0.27</b>	<b>-</b>
<b>2</b>	<b>Non-Institutions</b>									
	a) Bodies Corp.									
	i) Indian	-	3108	3108	1.45	-	3108	3108	1.45	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	655	6207	6862	3.20	667	6195	6862	3.20	-
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
	c) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(2):-</b>	<b>655</b>	<b>9315</b>	<b>9970</b>	<b>4.65</b>	<b>667</b>	<b>9303</b>	<b>9970</b>	<b>4.65</b>	<b>-</b>

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**ANNEXURE – D TO DIRECTORS’ REPORT (Contd.)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	779	9778	10557	4.92	791	9766	10557	4.92	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	204635	9854	214489	100.00	204647	9842	214489	100.00	-

**ii) Shareholding of Promoters**

Sl. No.	Shareholder’s Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	
1	Jugal Kishore Bhagat	6000	2.79	-	6000	2.79	-	-
2	Ashutosh Bhagat	21324	9.94	-	21324	9.94	-	-
3	Bhagat Refinerers & Chemicals Private Limited	7795	3.64	-	7795	3.64	-	-
4	Ravi Bhagat	20110	9.38	-	20110	9.38	-	-
5	Rita Bhagat	39958	18.63	-	39958	18.63	-	-
6	Jugal Kishore Bhagat	12825	5.98	-	12825	5.98	-	-
7	Vinita Bhagat	47567	22.17	-	47567	22.17	-	-
8	Archita Bhagat	48353	22.54	-	48353	22.54	-	-
	<b>Total</b>	203932	95.07	-	203932	95.07	-	-

**iii) Change in Promoters’ Shareholding (please specify, if there is no change)**

There is no change in Promoters’ shareholding.

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	Shareholder’s Name	No. of Shares	% of total shares of the Company	Date	No. of Shares	% of total shares of the Company
1	Bharosa Vinimay Private Limited	3000	1.40	At the end of the year	3000	1.40
2	Vedant Bhagat	1000	0.47	At the end of the year	1000	0.47
3	Adarsh Bhagat	1000	0.47	At the end of the year	1000	0.47
4	Rakshak Hemantkumar Shah	257	0.12	At the end of the year	257	0.12
5	Sudhir Kumar Seal	248	0.12	At the end of the year	248	0.12
6	Central Bank of India	137	0.06	At the end of the year	137	0.06
7	C. H. Heape	100	0.05	At the end of the year	100	0.05
8	Saifuddin Amiruddin Sarkar	100	0.05	At the end of the year	100	0.05
9	Life Insurance Corporation of India	85	0.04	At the end of the year	85	0.04
10	Matadin Goenka	80	0.04	At the end of the year	80	0.04

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## ANNEXURE – D TO DIRECTORS' REPORT (contd.)

### v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	Name of the Director/ KMP	No. of Shares	% of total shares of the Company	Date	No. of Shares	% of total shares of the Company
1	Jugal Kishore Bhagat	6000	2.80	At the end of the year	6000	2.80
2	Jugal Kishore Bhagat	12825	5.98	At the end of the year	12825	5.98

### V. INDEBTEDNESS

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1480.21	-	-	1480.21
ii) Interest due but not paid	102.84	-	-	102.84
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1583.05</b>	<b>-</b>	<b>-</b>	<b>1583.05</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	36.29	-	-	36.29
* Reduction	-	-	-	-
<b>Net Change</b>	<b>36.29</b>	<b>-</b>	<b>-</b>	<b>36.29</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1516.50	-	-	1516.50
ii) Interest due but not paid	102.84	-	-	102.84
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1619.34</b>	<b>-</b>	<b>-</b>	<b>1619.34</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Jugal Kishore Bhagat, MD	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,020,035	7,020,035
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961	6,337	6,337
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify		
	<b>Total (A)</b>	<b>7,026,372</b>	<b>7,026,372</b>
	Ceiling as per the Act		

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**ANNEXURE – D TO DIRECTORS’ REPORT (contd.)**

**B. Remuneration to other directors**

(₹)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Gautam Ukil	Alok Kumar Khastagir	
	Fee for attending board/committee meetings	39,000	45,000	84,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	39,000	45,000	84,000
2	Other Non-executive Directors	Nisha Agrawal	Subhakirti Majumdar	
	Fee for attending board/committee meetings	27,000	12,000	39,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	27,000	12,000	39,000
	Total (B)=(1+2)			123,000
	Total Managerial Remuneration			7,149,372
	Overall Ceiling as per the Act			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel*			
		CEO	Company Secretary	CFO	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total				

\* No Key Managerial Personnel within the meaning of Section 203 of the Companies Act, 2013

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**ANNEXURE – D TO DIRECTORS' REPORT (contd.)**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

JUGAL KISHORE BHAGAT  
*Chairman and Managing Director*  
DIN: 00055972

Kolkata  
4<sup>th</sup> July, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
THE NAIHATI JUTE MILLS COMPANY LIMITED

### Report on the Financial Statements

#### Qualified opinion

1. We have audited the accompanying financial statements of **THE NAIHATI JUTE MILLS COMPANY LIMITED** (*'the Company'*) which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit and its cash flows for the year ended on that date.

#### Basis of Qualified Opinion

- 3.1 *Provision for accrued liability of gratuity of existing employees amounting to ₹ 108,690,862 (Previous Year ₹ 94,261,401) as per actuarial valuation has not been made by the Company which constitutes a departure from the Accounting Standard 15, 'Retirement Benefits' referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) [Refer Note 25(ii)].*
- 3.2 *Non-provision of liability of penal/additional interest and liquidated damages on overdue instalments of secured loan from a financial institution, amount unascertainable [Refer Note 4(f)].*
- 3.3 *Non-provision of interest on loan from WBIDC amounting to ₹ 24,491,889 (Previous Year ₹ 23,464,104) [Refer Note 4(f)].*

*Accordingly without considering the observations made in paragraph 3.2 above where the effect is not ascertainable, had the observations made by us in paragraphs 3.1 to 3.3 been considered, the profit for the year would have been lower by ₹ 133,182,751 with corresponding effect on the shareholders fund and the current assets.*

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.



## THE NAIHATI JUTE MILLS COMPANY LIMITED

### INDEPENDENT AUDITOR'S REPORT *(contd.)*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management for the Financial Statements**

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance) and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), specified under Section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing these financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, 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 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, under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

**INDEPENDENT AUDITOR'S REPORT** (contd.)

- 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 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 report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - 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.
11. 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.
12. 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**

13. 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 the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The financial statements dealt with by this Report are in agreement with the books of account;
  - d. *except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);*
  - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 4th July, 2019 as per Annexure 'B' expressed unmodified.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended :

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### INDEPENDENT AUDITOR'S REPORT *(contd.)*

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations, other than those disclosed in the financial statements which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm's Registration No.: 305123E

SUSHIL KUMAR CHHAWCHHARIA  
Partner  
Membership No.:008482

Kolkata  
4<sup>th</sup> July, 2019

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#### Annexure 'A' to the Independent Auditor's Report

##### **The Annexure referred to in Independent Auditor's Report of even date to the members of The Naihati Jute Mills Company Limited, on the financial statements for the year ended 31<sup>st</sup> March, 2019**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As planned, a part of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the planned frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties (which are included under the head Fixed Assets) are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification. The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**INDEPENDENT AUDITOR’S REPORT (contd.)**

- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-section (1) of Section 148 of the Act in respect of Company’s products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. As informed, the cost audit for the year is under progress.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding on 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 dues outstanding in respect of sales-tax and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Tax, Interest	2,441,907	2010 - 2011	Fast Track Revision Authority, Bench -IV
West Bengal Value Added Tax Act, 2003	Tax, Interest	1,993,513*	2011- 2012	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax	7,158,681	2010- 2011	Fast Track Revision Authority, Bench -IV
Central Sales Tax Act, 1956	Tax	7,623,410**	2011- 2012	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax, Interest	7,582,231***	2013-2014	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax, Interest	4,569,158****	2015-2016	Senior Joint Commissioner, Commercial Taxes, Large Taxpayers Unit

\*A sum of ₹ 159,517 has been paid. \*\* A sum of ₹ 500,000 has been paid.

\*\*\* A sum of ₹ 742,067 has been paid. \*\*\*\*A sum of ₹ 200,000 has been paid.

- (viii) According to the information and explanations given to us, as regards the dues of Government of West Bengal (through WBIDC), the Company has defaulted in repayment of all the quarterly instalments from June 2001 to March 2007 of principal amount and interest till March, 2000 amounting to Rs. 27,414,054. Similarly, the unprovided further interest (net of rebate) up to March 2019 amounting to Rs 24,491,889 and unascertainable amount of additional interest, penal interest and liquidated damages also remain unpaid. Company’s proposal for settlement of the dues and/or waiver of interest etc. thereon is pending consideration.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. According to the information and explanations given to us, further disbursement of term loan received during the year were applied for the purpose they were raised.
- (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) According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### INDEPENDENT AUDITOR'S REPORT *(contd.)*

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

For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm's Registration No.: 305123E

SUSHIL KUMAR CHHAWCHHARIA  
Partner  
Membership No.:008482

Kolkata  
4<sup>th</sup> July, 2019

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#### Annexure 'B' to the Independent Auditor's Report

##### Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("Act")

1. In conjunction with our audit of the financial statements of The Naihati Jute Mills Company Limited ("the Company") as of and for the year ended 31st March, 2019, we have audited the Internal Financial Controls over Financial Reporting (IFCoFR) of the Company as of that date.

##### **Management's Responsibility for Internal Financial Controls**

2. 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 Act.

##### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### INDEPENDENT AUDITOR'S REPORT *(contd.)*

the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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 IFCoFR.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's IFCoFR 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 IFCoFR 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**

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based 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 ICAI.

For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm's Registration No.: 305123E

SUSHIL KUMAR CHHAWCHHARIA  
Partner  
Membership No.:008482

Kolkata  
4<sup>th</sup> July, 2019

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2019

(₹)

Particulars	Note	As at 31-03-2019		As at 31-03-2018	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	2	22,448,900		22,448,900	
(b) Reserves and Surplus	3	<u>722,613,749</u>	745,062,649	<u>712,526,722</u>	734,975,622
<b>Non-current Liabilities</b>					
(a) Long-term Borrowings	4	10,052,318		1,833,877	
(b) Deferred Tax Liabilities (net)	5	5,586,105		7,666,558	
(c) Long-term Provisions	6	<u>12,539,379</u>	28,177,802	<u>12,371,005</u>	21,871,440
<b>Current Liabilities</b>					
(a) Short-term Borrowings	7	118,639,972		127,040,674	
(b) Trade Payables	8				
- Micro and Small Enterprises		2,713,693		-	
- Others		111,971,341		194,889,887	
(c) Other Current Liabilities	9	161,363,715		162,037,280	
(d) Short-term Provisions	6	<u>40,722,079</u>	435,410,800	<u>41,054,477</u>	525,022,318
<b>Total Equity and Liabilities</b>			<u>1,208,651,251</u>		<u>1,281,869,380</u>
<b>ASSETS</b>					
<b>Non-current Assets</b>					
(a) Fixed Assets					
- Property, Plant and Equipment	10	695,884,533		700,492,951	
- Intangible Assets	10	<u>67,201</u>		<u>67,201</u>	
		695,951,734		700,560,152	
(b) Non-current Investments	11	10,000		11,600	
(c) Long-term Loans and Advances	12	<u>3,159,892</u>	699,121,626	<u>1,714,179</u>	702,285,933
<b>Current Assets</b>					
(a) Inventories	13	321,303,579		442,054,096	
(b) Trade Receivables	14	148,366,119		122,000,959	
(c) Cash and Cash Equivalents	15	2,483,298		1,412,173	
(d) Short-term Loans and Advances	12	19,634,394		13,636,145	
(e) Other Current Assets	16	<u>17,742,235</u>	509,529,625	<u>480,074</u>	579,583,447
<b>Total Assets</b>			<u>1,208,651,251</u>		<u>1,281,869,380</u>
Significant Accounting Policies and Notes to Financial Statements	1 to 36				

As per our Report of even date  
For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm Registration No. 305123E  
SUSHIL KUMAR CHHAWCHHARIA  
Partner  
Membership No. 008482  
Place: Kolkata  
Date: 4th July, 2019

RAVI BHAGAT  
Chief Executive Officer  
CA KISHOR KUMAR SONTALIA  
Chief Financial Officer  
CS GOPAL PRASAD CHOUDHARY  
Company Secretary

For and on behalf of the Board  
JUGAL KISHORE BHAGAT  
Chairman and Managing Director  
DIN: 00055972

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019** (₹)

Particulars	Note	2018-19	2017-18
I. <b>Revenue from Operations</b>	17	<b>2,336,907,939</b>	2,304,336,681
II. <b>Other Income</b>	18	<b>14,631,466</b>	7,562,506
III. <b>Total Revenue (I + II)</b>		<b><u>2,351,539,405</u></b>	<u>2,311,899,187</u>
IV. <b>Expenses</b>			
(a) Cost of Materials Consumed	19	<b>1,319,553,812</b>	1,266,075,748
(b) Change in Inventories of Finished Goods and Work-in-Progress	20	<b>74,673,402</b>	55,459,160
(c) Employee Benefits Expense	21	<b>637,921,804</b>	633,367,765
(d) Finance Cost	22	<b>10,716,626</b>	9,306,842
(e) Depreciation and Amortization Expense	10	<b>22,148,396</b>	22,857,595
(f) Other Expenses	23	<b>271,002,179</b>	280,893,104
<b>Total Expenses</b>		<b><u>2,336,016,219</u></b>	<u>2,267,960,214</u>
V <b>Profit before Tax (III - IV)</b>		<b>15,523,185</b>	43,938,973
VI <b>Tax Expenses</b>			
(a) Current Tax		<b>4,750,000</b>	12,800,000
(b) Mat Credit Entitlement for earlier year		-	1,522,410
(c) Deferred Tax		<b>(2,080,454)</b>	2,604,611
VII <b>Profit for the Year (V-VI)</b>		<b><u>12,853,639</u></b>	<u>27,011,952</u>
VIII <b>Earning per Ordinary Share (Face value of ₹ 100)</b>	30		
(a) Basic		<b>59.93</b>	125.94
(b) Diluted		<b>59.93</b>	125.94

Significant Accounting Policies and  
Notes to Financial Statements

1 to 36

As per our Report of even date  
For B. CHHAWCHHARIA & CO.  
*Chartered Accountants*  
Firm Registration No. 305123E  
SUSHIL KUMAR CHHAWCHHARIA  
*Partner*  
Membership No. 008482  
Place: Kolkata  
Date: 4th July, 2019

RAVI BHAGAT  
*Chief Executive Officer*  
CA KISHOR KUMAR SONTALIA  
*Chief Financial Officer*  
CS GOPAL PRASAD CHOUDHARY  
*Company Secretary*

For and on behalf of the Board

JUGAL KISHORE BHAGAT  
*Chairman and Managing Director*  
DIN: 00055972



# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

(₹)

	2018-19	2017-18
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	15,523,185	43,938,973
Adjusted for		
- Depreciation	22,148,396	22,857,595
- Interest Income	(6,255,759)	(226,455)
- Finance Cost	10,716,626	9,306,842
- Bad Debt/Sundry balances written off	1,600	-
- Liability no longer required written back	(1,057,992)	-
- Profit on sale of Other Investments	-	(190,398)
- Unrealized foreign exchange difference gain/loss	(3,555)	(31)
- Profit on sale of Fixed Assets	(4,172,314)	(3,016,822)
Operating Profit before Working Capital changes	36,900,188	72,669,705
Changes in Working Capital		
- Trade and Other Receivables	(46,796,182)	(39,617,777)
- Inventories	120,750,517	(68,456,215)
- Trade Payables and Advance from Customers	(83,789,373)	82,423,449
Cash generated from Operations	27,065,150	47,019,162
- Income Tax paid (net of refund)	(7,548,303)	(12,255,993)
Net Cash flow from Operating Activities (A)	19,516,847	34,763,169
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of Fixed Assets	(21,605,819)	(33,953,392)
- Capital Subsidy Received	2,463,365	14,988,000
- Sale of Fixed Assets	4,297,992	3,021,000
- Profit on sale of Other Investments	-	190,398
- Interest Received	6,255,759	226,455
Net Cash used in Investing Activities (B)	(8,588,703)	(15,527,539)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Proceeds from Long-term and other Borrowings	3,622,665	(6,231,849)
- Interest Paid	(10,716,626)	(9,306,842)
- Dividend Paid	(2,766,612)	(4,052,845)
Net Cash from Financing Activities (C)	(9,860,574)	(19,591,536)
Net increase/(Decrease) in cash and cash Equivalents (A + B + C)	1,067,570	(355,906)
Cash and Cash Equivalents at beginning of the year	1,412,173	1,768,079
Cash and Cash Equivalents at the end of the year	2,479,742	1,412,173

### Notes:

1. Proceeds from Long-term and Other Borrowings are shown net of repayments.
2. Cash and Cash Equivalents represent cash, bank balances and short-term deposit with bank.
3. Reconciliation of cash and cash equivalent at the end of the year.

Cash and Cash Equivalents as per Cash Flow Statement	2,479,742	1,412,173
Effect of foreign exchange difference	(3,555)	(31)
Cash and Cash Equivalents as per Balance Sheet	2,483,298	1,412,204

As per our Report of even date

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Firm Registration No. 305123E

SUSHIL KUMAR CHHAWCHHARIA

Partner

Membership No. 008482

Place: Kolkata

Date: 4th July, 2019

RAVI BHAGAT

Chief Executive Officer

CA KISHOR KUMAR SONTHALIA

Chief Financial Officer

CS GOPAL PRASAD CHOUDHARY

Company Secretary

For and on behalf of the Board

JUGAL KISHORE BHAGAT

Chairman and Managing Director

DIN: 00055972

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 SIGNIFICANT ACCOUNTING POLICIES**

**(i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Company follows the mercantile system of accounting and recognises income and expenses on accrual basis. The accounts are prepared on historical cost basis except for certain fixed assets which are stated at revalued amounts. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 2013.

All the Assets and Liabilities have been classified as Current and Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of activities, the Company has ascertained its operating cycle as 12 months for the purpose of Current and Non-current classification of Assets and Liabilities.

**(ii) USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principle requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialized.

**(iii) TANGIBLE AND INTANGIBLE FIXED ASSETS AND DEPRECIATION/ AMORTISATION**

**Property, Plant and Equipment**

**(a) Recognition**

Property, plant and equipment are stated at cost of acquisition or construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. Cost of acquisition includes inward freight, duties and taxes (net of cenvat availed), dismantling cost and installation expenses etc. incurred up to the installation of the assets.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

The Company has adopted cost model as prescribed under Accounting Standard (AS) 10: Property, Plant and Equipment in respect of all classes of assets except for land and building for which revaluation model has been adopted. In respect of revalued assets the difference between written down value of assets and valuation is transferred to Revaluation Reserve.

**(b) Depreciation**

Depreciation on property, plant and equipment is provided to the extent of depreciable amount on the written down value method except on the additions to Plant and Machinery and Diesel Generating Sets made after 1st April, 1963 on which depreciation is provided on straight line method. Depreciation is provided based on useful economic life of the assets as prescribed in Schedule II to the Companies Act, 2013.

As provided in Schedule II to the Companies Act, 2013, the amount equivalent to the depreciation charged on the amount added on revaluation is not being transferred to Statement of Profit and Loss from Revaluation Reserve.

**(iv) IMPAIRMENT OF ASSETS**

Impairment is ascertained at each Balance Sheet date in respect of cash generating units. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

**(v) CAPITAL WORK-IN-PROGRESS**

Capital work-in-progress under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS *(contd.)*

#### (vi) INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. Such assets are amortised on written down value method over the useful economic life of the respective assets and in the manner prescribed in Schedule II to the Companies Act, 2013.

#### (vii) GOVERNMENT GRANTS

Government Grants related to fixed assets are adjusted with the value of the fixed asset/credited to Capital Reserve. Government Grants related to revenue items are adjusted with the related expenditure/taken as income. Such grants are accounted for as and when the ultimate realisability of the same is established.

#### (viii) NON-CURRENT/LONG-TERM INVESTMENT

Non-current/Long-term investments are carried at acquisition cost less provision for permanent diminution in the value. Investments intended to be held for not more than one year are classified as current investments and are valued at lower of cost and fair value.

#### (ix) INVENTORIES

Inventories are valued at lower of the cost or net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost and includes appropriate portion of overheads.

Cost in respect of process stock represents cost incurred upto the stage of completion.

Caddies, Thread Waste etc. are valued at estimated realisable value.

Cost has been considered after taking credit for taxes whenever and to the extent available.

#### (x) REVENUE RECOGNITION

##### Sale of Goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, and the amount of revenue can be measured reliably.

Export Incentive accounted on the basis of accrual.

Sale of Import Entitlements is accounted on the basis of actual transaction /utilization thereof.

##### Other Income

Other Income is accounted on accrual basis except where the receipt of income is uncertain.

#### (xi) EMPLOYEE BENEFITS

Employee benefits are accrued in the year in which services are rendered by the employees. Short-term employee benefits are recognised as an expenses in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution schemes such as Provident Fund, Superannuation Fund etc. are recognised as and when incurred.

Long-term employee benefits under defined benefits scheme such as contribution to gratuity, leave etc. are determined at close of the year at present value of the amount payable using actuarial valuation techniques.

Actuarial gain and losses are recognised in the year when they arise.

#### (xii) FOREIGN CURRENCY TRANSACTIONS

Income and Expenditure in foreign currency is converted into rupee at the rate of exchange prevailing on the date of transaction. Realised gains and losses on foreign exchange transactions in the year are recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

Foreign currency monetary assets and liabilities at the year end are translated using the closing exchange rates and the resultant exchange difference is recognised in the Statement of Profit and Loss. In the case of acquisition of fixed assets, the exchange differences are adjusted to the cost of respective fixed assets. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid/received on forward contracts is recognized over the life of the contract.

**(xiii) CLAIMS**

Insurance claims are accounted for on settlement thereof.

Claim for quality, shortage etc. made in respect of purchase of raw jute but not admitted by the parties is adjusted in the consumption for the year and on settlement thereof, difference, if any, is accounted for.

**(xiv) BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**(xv) TAXATION**

Tax expense for the period, comprising current tax and deferred tax, is included in the determination of the net profit or loss for the period. Provision is made for current tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred Taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets including the unrecognized deferred tax assets, if any, at each reporting date, are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

**(xvi) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

- (a) Liability of interest/penalty due to delayed payment of statutory dues being unascertained is accounted for on imposition of demands.
- (b) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable and in respect of which a reliable estimate can be made.
- (c) Contingent liabilities are shown by way of Notes to the Financial Statements in respect of obligations, where, based on the evidence available, their existence at the Balance Sheet date is considered not probable or a reliable estimate of the same cannot be made.
- (d) Contingent Assets are neither recognised nor disclosed in the Financial Statements.

**(xvii) EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The net profit or loss for the period attributable to ordinary shareholders is the net profit or loss for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of ordinary shares is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by the time-weighting factor.

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)**

(₹)

	As at 31-03-2019	As at 31-03-2018
<b>2 SHARE CAPITAL</b>		
<b>Capital Structure</b>		
<b>Authorized</b>		
479,989 (479,989) Ordinary Shares of ₹ 100 each	<b>47,998,900</b>	47,998,900
70,000 (70,000) Preference Shares of ₹ 100 each	<b>7,000,000</b>	7,000,000
	<b><u>54,998,900</u></b>	<u>54,998,900</u>
<b>Issued, Subscribed and Fully Paid-up</b>		
214,489 (214,489) Ordinary Shares of ₹ 100 each	<b>21,448,900</b>	21,448,900
10,000 (10,000) 15% Non-cumulative Redeemable Preference Shares of ₹ 100 each fully paid-up	<b>1,000,000</b>	1,000,000
	<b><u>22,448,900</u></b>	<u>22,448,900</u>

<b>Share Capital Reconciliation</b>	As at 31-03-2019		As at 31-03-2018	
	No.	₹	No.	₹
Ordinary Shares				
At the beginning of the year	<b>214,489</b>	<b>21,448,900</b>	214,489	21,448,900
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b><u>214,489</u></b>	<b><u>21,448,900</u></b>	<u>214,489</u>	<u>21,448,900</u>
Preference Shares				
At the beginning of the year	<b>10,000</b>	<b>1,000,000</b>	10,000	1,000,000
Issued during the year	-	-	-	-
Redeemed during the year	-	-	-	-
Outstanding at the end of the year	<b><u>10,000</u></b>	<b><u>1,000,000</u></b>	<u>10,000</u>	<u>1,000,000</u>

**Particulars of Shareholders holding more than 5% Shares as at Balance Sheet date**

	As at 31-03-2019		As at 31-03-2018	
	No.	% of holding in the Class	No.	% of holding in the Class
<b>Ordinary Shares of ₹ 100 each fully paid-up</b>				
Jugal Kishore Bhagat	<b>12,825</b>	<b>5.98</b>	12,825	5.98
Ravi Bhagat	<b>20,110</b>	<b>9.37</b>	20,110	9.37
Ashutosh Bhagat	<b>21,324</b>	<b>9.94</b>	21,324	9.94
Rita Bhagat	<b>39,958</b>	<b>18.63</b>	39,958	18.63
Vinita Bhagat	<b>47,567</b>	<b>22.17</b>	47,567	22.17
Archita Bhagat	<b>48,353</b>	<b>22.54</b>	48,353	22.54
<b>Preference Shares of ₹ 100 each fully paid-up</b>				
Ginni Farms Private Limited	<b>5,000</b>	<b>50.00</b>	5,000	50.00
Nion Vyapaar Private Limited	<b>5,000</b>	<b>50.00</b>	5,000	50.00

**Rights, Preferences and Restrictions attached to shares**

*Ordinary Shares*

The Company has one class of Ordinary Shares having a par value of ₹ 100. Each holder of Ordinary Shares is entitled to one vote proportionate to paid-up capital. The Company declares and pays dividends in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of Shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of Ordinary Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Ordinary Shares held by the Shareholders and their paid-up amounts.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

#### Preference Shares

The Company has issued only one class of 15% Non-cumulative Redeemable Preference Shares (NRPS). The Preference Shareholders are entitled to dividend @15%. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the Shareholders in the Annual General Meeting. Each holder of Preference Shares is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the Preference Shares.

The Preference Shares are redeemable at par after three years from the date of allotment i.e. 20th January, 2006 upto 15 years, at the option of the Company. In the event of liquidation of the Company before redemption of Preference Shares, the holders of Preference Shares will have priority over Ordinary Shares in the payment of dividend and repayment of capital.

#### Terms of redemption of Preference Shares of ₹ 100 each

The Company has issued NRPS having a par value of ₹ 100 as per terms and conditions given below:

Preference Shares (No.)	Rate of Dividend (%)	Redemption Premium (₹)	Paid-up value (₹)	Date of Redemption
10,000*	15.00	60**	1,000,000	20.01.2021

\* The Company shall have an option to redeem Preference Shares at any time after three years from the date of issue of the said Shares i.e. after 20.01.2009 in one or more tranches.

\*\* 15% NRPS are redeemable at the premium of ₹ 5 per Share for every completed year from 4th year till the year of redemption.

### 3 RESERVES AND SURPLUS

#### Capital Reserve

Others (details not available)

As at  
31-03-2019

As at  
31-03-2018

Securities Premium Reserve

566,509

566,509

Revaluation Reserve

4,000,000

4,000,000

General Reserve

579,173,361

579,173,361

Surplus in the Statement of Profit and Loss

4,250,000

4,250,000

Balance at the beginning of the year

124,536,852

101,577,745

Add: Profit for the year

12,853,639

27,011,952

137,390,491

128,589,697

Less : Final Dividend

2,294,890

3,367,335

Less : Corporate Dividend tax paid

471,722

685,510

Balance at the end of the year

134,623,879

124,536,852

722,613,749

712,526,722

The Board of Directors of the Company has proposed a dividend on Ordinary and Preference Shares for ₹ Nil (₹ 2,294,890) for the year ended 31st March, 2019, subject to approval of Shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ Nil (₹ 2,766,612) inclusive of Corporate Dividend Tax of ₹ Nil (₹ 471,722).

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

	Non-current portion		Current maturities	
	As at 31-03-2019	As at 31-03-2018	As at 31-03-2019	As at 31-03-2018
<b>4 LONG-TERM BORROWINGS</b>				
<b>Secured Loans</b>				
<b>From Banks</b>				
Rupee Term Loan	8,523,293	-	4,023,812	-
Rupee Vehicle Loan	1,529,025	1,833,877	1,804,451	2,016,664
<b>From Government of West Bengal</b>				
Loan for payment of sales tax and raw jute tax dues:				
Loan (through WBIDC)	-	-	17,129,750	17,129,750
	<u>10,052,318</u>	<u>1,833,877</u>	<u>22,958,013</u>	<u>19,146,414</u>
Amount disclosed under the head 'Other Current Liabilities' (Refer Note 10)	-	-	22,958,013	19,146,414
	<u>10,052,318</u>	<u>1,833,877</u>	<u>-</u>	<u>-</u>

### Security

Rupee Term Loan of ₹ 12,547,105 from Bank is secured by specific machineries purchased out of the loan and collaterally secured by Land and Building, other block assets and guaranteed by Messrs Banshidhar Ghanshyamdass.

Rupee Vehicle Loans of ₹ 3,333,476 from Banks is secured by hypothecation of specific vehicles being financed.

Loan of ₹ 27,414,054 (including interest upto March, 2000 ₹ 10,284,304 - Refer Note 9) are secured by residual charge on all the fixed assets of the Company subject to the charge in favour of financial institutions, banks and others.

### Repayment Terms

Particulars	No. of Installments	Amount of Installment	Maturity date	Interest
a) Rupee Term Loan of ₹ 12,547,105 from Punjab National Bank	42 Monthly	EMI-₹ 309,524	31-08-2022	5 year MCLR+ 3.50%+.05%
b) Rupee Vehicle Loan of ₹ 1,382,470 from Punjab National Bank	18 Monthly	EMI-₹ 82,076	30-09-2020	8.50%
c) Rupee Vehicle Loan of ₹ 451,006 from Punjab National Bank	24 Monthly	EMI-₹ 20,520	31-03-2021	8.50%
d) Rupee Vehicle Loan of ₹ 900,000 from Punjab National Bank	36 Monthly	EMI-₹ 28,683	28-02-2022	9.15%
e) Rupee Vehicle Loan of ₹ 600,000 from Punjab National Bank	36 Monthly	EMI-₹ 19,094	31-03-2022	9.05%
f) Loan from Government of West Bengal (through WBIDC) - (i) Loan with interest upto March 2000 amounting to ₹ 27,414,054 was repayable in 24 quarterly instalments commencing from June 2001, (ii) Further interest (net of rebate) from April 2000 to March 2019 amounting to ₹ 24,491,889 (including ₹ 1,027,785 for current year) remains unprovided, and (iii) Penal interest, additional interest and liquidated damages (amount unascertainable) also remains unprovided; and all remain unpaid, since Company's request for settlement of loan as well as waiver of interest, additional interest, penal interest and liquidated damages is pending since long.				

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**

(₹)

	As at 31-03-2019	As at 31-03-2018
<b>5 DEFERRED TAX</b>		
The principal components of Deferred Tax Liabilities and Assets are as follows:		
<b>Deferred Tax Liabilities</b>		
Difference between book value of depreciable assets as per Books of Account and written down value for tax purposes	10,620,850	14,112,980
Tax impact of expenses claimed under tax laws but charge to the Statement of Profit and Loss deferred	<u>1,328,119</u>	<u>1,114,911</u>
	<u>11,948,969</u>	<u>15,227,891</u>
<b>Deferred Tax Assets</b>		
Tax impact of expenses charged to the Statement of Profit and Loss but allowance under tax laws deferred	<u>6,362,864</u>	<u>7,561,333</u>
	<u>6,362,864</u>	<u>7,561,333</u>
<b>Net Deferred Tax Liabilities/(Assets)</b>	<u>5,586,105</u>	<u>7,666,558</u>
	<b>Long-term</b>	<b>Short-term</b>
	As at	As at
	31-03-2019	31-03-2018
	As at	As at
	31-03-2019	31-03-2018
<b>6 PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
For Bonus	-	-
For Leave Benefits	<u>12,539,379</u>	<u>12,371,005</u>
	<u>12,539,379</u>	<u>12,371,005</u>
	<u>37,410,632</u>	<u>37,382,966</u>
	<u>3,311,447</u>	<u>3,671,511</u>
	<u>40,722,079</u>	<u>41,054,477</u>
<b>7 SHORT TERM BORROWINGS</b>		
From Banks (Secured) :		
Working Capital Loans	97,429,474	96,740,675
Packing Credit	<u>21,210,498</u>	<u>30,300,000</u>
	<u>118,639,972</u>	<u>127,040,675</u>
Working Capital Loans and Packing Credit from Banks are secured by hypothecation of stock of raw jute, jute goods, stores and spares, goods-in-transit, book-debt and collaterally secured by second charge on fixed assets by way of equitable mortgage and guaranteed by Messrs Banshidhar Ghanshyamdass.		
<b>8 TRADE PAYABLES</b>		
For Goods and Services received in the ordinary course of business		
- Micro and Small Enterprises	2,713,693	-
- Others	<u>111,971,341</u>	<u>194,889,887</u>
	<u>114,685,034</u>	<u>194,889,887</u>
<b>9 OTHER CURRENT LIABILITIES</b>		
Current maturities of Long-term debts (Refer Note 4)	22,958,013	19,146,414
Interest accrued and due on Borrowings (WBIDC)	10,284,304	10,284,304
Interest accrued but not due on Borrowings	316	6,991
Advance from Customers	583,719	713,061
Statutory Dues	11,738,815	18,956,788
Other Payables (includes provision for outstanding liabilities and expenses, unclaimed employee benefits and other expenses payable)	<u>115,798,547</u>	<u>112,929,721</u>
	<u>161,363,715</u>	<u>162,037,280</u>



THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

10 FIXED ASSETS

(₹)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01-04-2018	Additions	Deductions and/or Adjustments	Total as at 31-03-2019	Up to 31-03-2018	During the year	Deductions and/or Adjustments	Up to 31-03-2019	As at 31-03-2019	As at 31-03-2018
Land	569,367,000	-	-	569,367,000	-	-	-	-	569,367,000	569,367,000
Buildings	42,897,688	329,565	-	43,227,253	33,758,023	727,950	-	34,485,973	8,741,280	9,139,665
Plant and Machinery	299,116,097	16,008,286	2,083,951	313,040,432	191,186,471	17,245,526	2,080,519	206,351,478	106,688,954	107,929,626
Diesel Generating Sets	13,070,013	-	-	13,070,013	12,088,952	115,720	-	12,204,672	865,341	981,061
Engines and Boilers	5,051,966	-	-	5,051,966	4,821,625	-	-	4,821,625	230,341	230,341
Sprinkler Installation	917,456	-	-	917,456	917,042	-	-	917,042	414	414
Electrical Installation	22,870,323	-	-	22,870,323	19,961,488	798,615	-	20,760,103	2,110,220	2,908,835
Railway Siding	275,298	-	-	275,298	275,276	-	-	275,276	22	22
Tubewell Installation	1,968,600	-	-	1,968,600	1,870,169	-	-	1,870,169	98,431	98,431
Jetty	1,019,669	-	-	1,019,669	1,019,603	-	-	1,019,603	66	66
Furniture and Fittings	4,295,704	254,500	-	4,550,204	3,156,772	327,588	-	3,484,360	1,065,844	1,138,932
Vehicles	15,072,404	-	1,658,767	13,413,637	9,041,364	1,865,101	1,536,521	9,369,944	4,043,693	6,031,040
Office Machinery, Equipments, Airconditioners and Refrigerators	14,010,964	1,073,305	-	15,084,269	11,974,764	952,905	-	12,927,669	2,156,600	2,036,200
Weighing Machines	2,132,064	-	-	2,132,064	1,500,746	114,991	-	1,615,737	516,327	631,318
TOTAL	992,065,246	17,665,656	3,742,718	1,005,988,184	291,572,295	22,148,396	3,617,040	310,103,651	695,884,533	700,492,951
Intangible Assets										
Computer Software	1,344,000	-	-	1,344,000	1,276,799	-	-	1,276,799	67,201	67,201
TOTAL	993,409,246	17,665,656	3,742,718	1,007,332,184	292,849,094	22,148,396	3,617,040	311,380,450	695,951,734	700,560,152
Previous Year Figures	972,917,904	37,095,090	16,603,748	993,409,246	271,603,069	22,857,595	1,611,570	292,849,094	700,560,152	

During the year, Capital Subsidy for Plant and Machinery of ₹ Nil (₹ 14,988,000) received from National Jute Board has been reduced from the cost of respective asset.

During the year, Capital Subsidy for Building of ₹ 2,463,365 (₹ Nil) received from National Jute Board has been reduced from the cost of respective asset.

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)**

(₹)

	As at 31-03-2019	As at 31-03-2018		
<b>11 NON-CURRENT INVESTMENTS</b>				
<b>Other Investments (valued at cost) - Unquoted</b>				
<b>Investment in Government Securities</b>				
12 Years National Plan Saving Certificates	-	600		
12 Years National Plan Defence Certificates	-	1,000		
<b>Investment in Debentures</b>				
5% Non-redeemable Debenture Stock, 1957 of Woodland Hospital & Medical Research Centre Limited	10,000	10,000		
	<b>10,000</b>	<b>11,600</b>		
	<b>Long-term</b>		<b>Short-term</b>	
	As at	As at	As at	As at
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
<b>12 LOANS AND ADVANCES</b>				
Unsecured, Considered good				
Capital Advances	1,720,298	243,500	-	-
Security Deposit	893,388	885,595	-	-
<b>Others</b>				
Advances recoverable in cash or in kind or for value to be received	15,000	60,145	5,356,500	3,148,549
Prepaid Expenses	531,206	524,939	1,090,172	1,499,761
Advance tax and TDS (net of provision)	-	-	2,816,909	18,606
Balance with Statutory/ Government Authorities	-	-	10,370,813	8,969,229
	<b>3,159,892</b>	<b>1,714,179</b>	<b>19,634,394</b>	<b>13,636,145</b>
<b>13 INVENTORIES</b>				
(as taken, valued and certified by the management)				
Raw Material			195,378,956	242,291,858
Work-in-Progress			58,681,589	78,478,712
Finished Goods			51,347,270	106,223,549
Stores and Spare Parts			15,895,764	15,059,977
			<b>321,303,579</b>	<b>442,054,096</b>
<b>Details of Raw Material</b>				
Raw Jute			193,346,489	239,069,505
Batching Oil			708,725	1,254,586
Dyes and Chemicals			1,104,934	1,844,082
Caddies, Thread Waste etc			218,808	123,685
			<b>195,378,956</b>	<b>242,291,858</b>
<b>14 TRADE RECEIVABLES</b>				
Unsecured, Considered good				
Outstanding for a period exceeding six months from the date they are due for payment			6,115,665	7,507,989
Other Receivables			142,250,454	114,492,970
			<b>148,366,119</b>	<b>122,000,959</b>

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)**

(₹)

	As at 31-03-2019	As at 31-03-2018
<b>15 CASH AND CASH EQUIVALENTS</b>		
Balances with Banks in Current Account	507,260	407,538
Cash on hand	<u>1,976,038</u>	<u>1,004,635</u>
	<u>2,483,298</u>	<u>1,412,173</u>
<b>16 OTHER CURRENT ASSETS</b>		
Insurance Claim Receivable	17,452,420	-
Interest Receivable	8,214	7,794
Duty Draw Back Receivable	<u>281,601</u>	<u>472,280</u>
	<u>17,742,235</u>	<u>480,074</u>
<b>17 REVENUE FROM OPERATIONS</b>	<b>2018-19</b>	<b>2017-18</b>
<b>Sale of Products</b>		
Finished Goods	<u>2,332,744,898</u>	<u>2,293,433,016</u>
<b>Other Operating Revenue</b>		
By-products	1,596,755	-
Export Incentives	2,566,286	3,365,969
Sale of MEIS Licenses	-	7,537,696
	<u>4,163,041</u>	<u>10,903,665</u>
	<u>2,336,907,939</u>	<u>2,304,336,681</u>
<b>18 OTHER INCOME</b>		
Interest Income	6,255,759	226,455
Foreign Exchange Fluctuations	203,084	2,298,774
Liability no longer required	1,057,992	-
Profit on sale of Current Investments	-	190,398
Profit on sale of Fixed Assets	4,172,314	3,016,822
Other Non-operating Income	<u>2,942,317</u>	<u>1,830,057</u>
	<u>14,631,466</u>	<u>7,562,506</u>
<b>19 COST OF MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	242,291,858	120,197,336
Add: Purchases less returns	1,272,640,910	1,388,170,270
Less: Inventory at the end of the year	<u>195,378,956</u>	<u>242,291,858</u>
	<u>1,319,553,812</u>	<u>1,266,075,748</u>
<b>20 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Inventory at the beginning of the year</b>		
Finished Goods	106,223,549	154,230,588
Work-in-Progress	<u>78,478,712</u>	<u>85,930,833</u>
	<u>184,702,261</u>	<u>240,161,421</u>
<b>Inventory at the end of the year</b>		
Finished Goods	51,347,270	106,223,549
Work-in-Progress	<u>58,681,589</u>	<u>78,478,712</u>
	<u>110,028,859</u>	<u>184,702,261</u>
	<u>74,673,402</u>	<u>55,459,160</u>

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)**

(₹)

	2018-2019	2017-2018
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus etc.	570,289,581	555,638,823
Contribution to Provident and Other Funds	64,189,031	74,297,905
Staff Welfare Expenses	<u>3,443,192</u>	<u>3,431,037</u>
	<u><b>637,921,804</b></u>	<u><b>633,367,765</b></u>
<b>22 FINANCE COST</b>		
Interest Expenses	9,197,321	7,561,784
Other Borrowing Costs	<u>1,519,305</u>	<u>1,745,058</u>
	<u><b>10,716,626</b></u>	<u><b>9,306,842</b></u>
<b>23 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	65,140,278	69,842,870
Bleaching, Processing and Printing Expenses	33,914,587	29,498,897
Power and Fuel	117,435,916	123,091,109
Rent	515,400	515,400
Repairs and Maintenance		
Plant and Machinery	3,113,608	3,083,437
Building	1,758,749	1,724,257
Others	5,887,082	6,544,923
Insurance	2,318,374	2,272,707
Rates and Taxes	1,822,405	3,394,271
Freight and Delivery Charges	10,553,745	11,813,108
Brokerage on Sales	4,584,469	5,627,253
Payment to Auditors		
For Statutory Audit	600,000	600,000
For Tax Audit	85,000	85,000
For Others Services	33,000	20,000
Internal Audit	102,000	102,000
Cost Audit	25,000	25,000
Issuing Certificates and Others	-	30,202
Directors' Fee	123,000	114,000
Professional and Consultancy Charges	4,613,572	5,273,483
Travelling Expenses	3,451,736	7,468,339
Miscellaneous Expenses	<u>14,924,259</u>	<u>9,766,847</u>
	<u><b>271,002,179</b></u>	<u><b>280,893,104</b></u>

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

#### 24 Contingent Liabilities not provided for in respect of:

- (a) Disputed demands of ₹ **26,933,480** (₹ 37,576,095) and ₹ **4,435,420** (₹ 4,466,820) relating to Central Sales Tax (for years 2010-11, 2011-12, 2013-14 and 2015-16) and West Bengal Value Added Tax (for years 2010-11 and 2011-12) respectively, including interest [amount deposited ₹ **1,601,584** (₹ 1,087,184) their against] against which Company's appeal/revision applications are pending.
- (b) Additional demand of Employees State Insurance for the years July'73 – Nov'75, 27-01-85 to June'86, 1990-91, 1992-93, 1993-94 and 1997-98 to 1999-2000 amounting to ₹ **2,329,000** [amount deposited ₹ **317,496** their against] (same in previous year) against which Company's appeals are pending.
- (c) Bills discounted with banks remaining outstanding at the year-end amounting to ₹ **53,837,380** (₹ 39,767,427).
- (d) Additional tax demand of ₹ **1,836,604** (₹ 1,836,604) relating to land revenue against which the Company's writ petition is pending before High Court.

- #### 25
- (i) The accrued and due liability of gratuity of employees retired/resigned during the year amounting to ₹ **802,794** (₹ 8,037,187) net of payment of ₹ **18,061,194** (₹ 4,715,135) made from Gratuity Fund Account, has been provided for.
  - (ii) Effective 1st April, 2007, employee benefit obligations have been measured/valued following the Accounting Standard 15 (revised 2005) on 'Employee Benefits' (AS) issued by The Institute of Chartered Accountants of India.

The accrued unprovided liability of existing employees as on 31st March, 2019 for future payments under the Payment of Gratuity Act, 1972 determined as per actuarial valuation amounts to ₹ **108,690,862** (₹ 94,261,404).

#### *Defined Contribution Plan*

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:

		(₹)
Employer's Contribution to Provident and Pension Fund	<b>39,118,361</b>	(39,485,644)
Employer's Contribution to ESIC Scheme	<b>21,996,190</b>	(21,747,700)

#### **Defined Benefit Plan**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for Leave Encashment is recognised in the same manner as Gratuity.

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)**

(₹)

(A)	Gratuity (Partially Funded)	
a) <b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>	Current Year	Previous Year
Defined Benefit Obligation at the beginning of the year	<b>222,471,228</b>	203,046,775
Current Service Cost	<b>20,377,711</b>	18,871,450
Interest Cost	<b>16,345,049</b>	15,191,528
Actuarial (gain)/loss	<b>(8,611,037)</b>	(584,411)
Benefits (paid)	<b>(20,395,727)</b>	(14,054,114)
Defined Benefit Obligation at the year end	<b>230,187,224</b>	222,471,228
b) <b>Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	<b>128,209,827</b>	112,524,256
Expected return on Plan Assets	<b>9,872,157</b>	8,720,630
Employer's contribution	<b>3,877,274</b>	21,101,748
Actuarial gain/(loss) on Plan Assets	<b>(67,169)</b>	(82,693)
Benefits paid	<b>(20,395,727)</b>	(14,054,114)
Fair value of Plan Assets at the year end	<b>121,496,362</b>	128,209,827
c) <b>Reconciliation of fair value of Assets and Obligations</b>		
Fair value of Plan Assets	<b>121,496,362</b>	128,209,827
Present value of Obligation	<b>230,187,224</b>	222,471,228
Amount recognised in Balance Sheet (gratuity to the extent of ₹ 108,690,862 remains unprovided)	<b>121,496,362</b>	128,209,827
d) <b>Expenses recognized during the year</b>		
Amount provided and contributed to Group Gratuity Scheme	<b>3,074,480</b>	13,064,561
e) <b>Actuarial assumptions</b>		
Mortality Table	<b>2006-08</b>	2006-08
	<b>(Indian Assured Lives)</b>	(Indian Assured Lives)
Discount rate (per annum) compounded	<b>7.70%</b>	7.75%
Rate of escalation in salary (per annum)	<b>6.00%</b>	6.00%

	Gratuity (Funded)				
	2018-19	2017-18	2016-17	2015-16	2014-15
Defined Benefit Obligation at the end of the year	<b>230,187,224</b>	222,471,228	203,046,775	174,924,344	161,566,025
Fair value of planned assets at the end of the year	<b>121,496,362</b>	128,209,827	112,524,256	87,419,966	70,909,988
Surplus/(Deficit)	<b>(108,690,862)</b>	(94,261,401)	(90,522,519)	(87,504,378)	(90,656,037)

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on Plan Assets is based on actuarial expectations of the average long-term rate of return expected on investments of the fund during the estimated terms of the Obligations. The above information is certified by the Actuary.

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)**

		(₹)	
		Leave Encashment (Unfunded)	
		Current Year	Previous Year
(B)			
<b>a)</b>	<b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
	Defined Benefit Obligation at the beginning of the year	16,042,516	13,329,677
	Current Service Cost	7,145,554	7,606,019
	Interest Cost	695,174	637,363
	Actuarial (gain)/loss	5,996,147	4,680,732
	Benefits (paid)	(14,028,565)	(10,211,275)
	Defined Benefit Obligation at the year end	15,850,826	16,042,516
<b>b)</b>	<b>Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
	Fair value of Plan Assets at the beginning of the year	-	-
	Expected return on Plan Assets	-	-
	Employer's contribution	14,028,565	10,211,275
	Actuarial gain/(loss) on Plan Assets	-	-
	Benefits paid	14,028,565	(10,211,275)
	Fair value of Plan Assets at year end	-	-
<b>c)</b>	<b>Reconciliation of fair value of Assets and Obligations</b>		
	Fair value of Plan Assets	-	-
	Present value of Obligation	15,850,826	16,042,516
	Amount recognised in Balance Sheet	15,850,826	16,042,516
<b>d)</b>	<b>Expenses recognized during the year</b>	(19,690)	2,712,839
<b>e)</b>	<b>Actuarial assumptions</b>		
	Mortality Table	2006-08 (Indian Assured Lives)	2006-08 (Indian Assured Lives)
	Discount rate (per annum) compounded	7.70%	7.50%
	Rate of escalation in salary (per annum)	6.00%	6.00%

The above information is certified by the Actuary.

- 26** Disclosure of the amount due to the Micro, Small and Medium Enterprises (on the basis of the information and records available with the management):

Particulars		Current year	Previous year
1	The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier		
	- Principal amount	2,713,693	Nil
	- Interest thereon	Nil	Nil
2	The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
4	The amount of interest accrued and remaining un paid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small/Micro Enterprises.	Nil	Nil

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

**NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)**

The Company has circulated confirmation for the identification of suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006. On the basis of information available with the Company under the aforesaid Act, there are Enterprises to whom the Company owes dues which are outstanding during the year end. This has been relied upon by the Auditors.

- 27** There was a fire in the jute godown on 11th November, 2018 in which the raw jute of 411.648 M.T. valued at ₹174.52 Lakhs was damaged/destroyed. The adjustment of loss, if any, shall be made on the settlement of the claim with the Insurance Company.
- 28** In the management’s perception, in accordance with Accounting Standard 17 on ‘Segment Reporting’ issued by The Institute of Chartered Accountants of India (ICAI), the Company has only one reportable segment namely ‘Jute Goods’.
- 29** Related Party Disclosures in accordance with the Accounting Standard 18 issued by ICAI are given below:

- a. List of Related Parties with whom transactions have taken place during the year :

Key managerial personnel	Shri Jugal Kishore Bhagat, Chairman and Managing Director Shri Ravi Bhagat, Chief Executive Officer Shri Ashutosh Bhagat, Joint Chief Executive Officer
Enterprises over which key management personnel and/or relatives are able to exercise significant influence	Messrs Banshidhar Ghanshyamdass

- b. Transactions with related parties: (₹)

<b>i)</b>	Remuneration paid to Key Managerial Personnel	<b>7,020,035</b> (8,031,743) <b>5,303,597</b> (4,832,631) <b>5,211,793</b> (4,708,437)	- Chairman and Managing Director - Chief Executive Officer - Joint Chief Executive Officer
<b>ii)</b>	Guarantees given by Messrs Banshidhar Ghanshyamdass		For facilities from Punjab National Bank

- c. Enterprises over which key management personnel are able to exercise significant influence, but have no transaction during the year

(a)	Ajanta Commercial & Trading Company Private Limited	(l)	Multitech Electronics Limited
(b)	Ashutosh Spinners Private Limited.	(m)	Narottamka Commercial Company Private Limited
(c)	Bhagat Agencies Private Limited	(n)	Penon Constructions Private Limited
(d)	Bhaskar Barter Private Limited	(o)	Raj Rajeshwar Promoters Private Limited
(e)	CFM Infratex Limited	(p)	Reform Flour Mills Private Limited
(f)	Chhaya Rub Chem Private Limited	(q)	Rimjhim Traders & Dealers Private Limited
(g)	Ginni Securities Limited	(r)	Softex Computata Private Limited
(h)	K.S. Agencies & Marketing Private Limited	(s)	Twinkle Lefin Private Limited
(i)	Lotus Enclave Private Limited	(t)	Vedant Credit Finance Private Limited
(j)	Maya Chaya Construction Private Limited	(u)	Viable Agencies & Marketing Private Limited
(k)	Maya Rub Chem Private Limited		



# THE NAIHATI JUTE MILLS COMPANY LIMITED

## NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

### 30 Earning Per Share (EPS)

(₹)

The EPS has been calculated as specified in Accounting Standard 20 issued by ICAI and other disclosure in this regard are:

Particulars	2018-19	2017-18
Net profit after tax available for Ordinary Shareholders (₹)	<b>12,853,639</b>	27,011,952
Weighted average number of Ordinary Share used as the denominator in calculating EPS	<b>214,489</b>	214,489
Basic and Diluted earning per Ordinary Share (Face value ₹ 100) (₹)	<b>59.93</b>	125.94

31 On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March, 2019.

### 32 Imported and Indigenous Raw Materials and Stores and Spares Parts Consumed

(₹)

	Raw Material Consumed		Stores and Spare Parts Consumed	
	Value (₹)	%	Value (₹)	%
Imported	<b>27,044,479</b> (31,804,171)	<b>2.05</b> (2.51)	- (-)	- (-)
Indigenous	<b>1,292,509,333</b> (1,234,271,577)	<b>97.95</b> (97.49)	<b>65,140,278</b> (69,842,870)	<b>100.00</b> (100.00)

33 C.I.F. Value of Imports  
Raw Jute

(₹)

**8,208,840**  
(51,893,311)

34 F.O.B. Value of Exports

**172,885,283**  
(177,973,890)

35 Expenditure in Foreign Currency:  
Travelling Expenses

**1,353,258**  
(1,436,215)

36 Previous year figures are regrouped wherever necessary and are stated in brackets.

As per our Report of even date  
For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm Registration No. 305123E  
SUSHIL KUMAR CHHAWCHHARIA  
Partner  
Membership No. 008482  
Place: Kolkata  
Date: 4th July, 2019

RAVI BHAGAT  
Chief Executive Officer  
CA KISHOR KUMAR SONTALIA  
Chief Financial Officer  
CS GOPAL PRASAD CHOUDHARY  
Company Secretary

For and on behalf of the Board

JUGAL KISHORE BHAGAT  
Chairman and Managing Director  
DIN: 00055972

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

CIN : U17119WB1905PLC001612

Registered Office : 7, Hare Street, 4th Floor, Kolkata - 700001

**ATTENDANCE SLIP**

Registered Folio No. / DP & Client ID ..... No. of Shares .....

Name of Member / Proxy / Authorised Representative .....

I hereby record my presence at the 114th Annual General Meeting of the Company being held on Monday, 16th September, 2019 at 03.30 P.M. at Conference Room, 4th Floor, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017.

.....  
Signature of Member / Proxy /  
Authorised Representative

Members, who come to attend the meeting, are requested to bring their copies of Annual Report with them

----- Cut here -----

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

CIN : U17119WB1905PLC001612

Registered Office : 7, Hare Street, 4th Floor, Kolkata - 700001

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :		Email ID :	
Registered address :		Folio No. / DP ID - Client ID :	

I/We, being the member(s) of ..... Shares of the above named Company hereby appoint :

- (1) Name ..... Address .....
- Email Id : ..... Signature ..... or failing him
- (2) Name ..... Address .....
- Email Id : ..... Signature ..... or failing him
- (3) Name ..... Address .....
- Email Id : ..... Signature .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 114th Annual General Meeting of the Company being held on Monday, 16th September, 2019 at 03.30 P.M. at Conference Room, 4th Floor, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions No.

- |    |  |
|----|--|
| 1. | Adoption of Financial Statement for the year ended March 31, 2019.   |
| 2. | Re-appointment of Shri Subhakirti Majumdar as a Director, who retires by rotation.   |
| 3. | Re-appointment of Shri Jugal Kishore Bhagat as Managing Director for a term of 3 years with effect from 1st October, 2019                              |
| 4. | Re-appointment of Shri Alok Kumar Khastagir as an Independent Director, for a second term of 5 consecutive years with effect from 1st October, 2019.   |
| 5. | Appointment of Smt. Nisha Agrawal as an Independent Director for a term of 5 consecutive years with effect from 4th July, 2019.                        |
| 6. | Ratification of remuneration to be paid to Messrs D. Radhakrishnan & Co., Cost Accountants as Cost Auditors for financial year ended 31st March, 2020. |

Signed this ..... day of .....2019

Signature of Shareholder .....

Signature of Proxy holder .....

Affix  
Revenue  
Stamp

**Note :** This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

*If undelivered, please return to :*

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

7, HARE STREET, 4TH FLOOR

KOLKATA - 700 001