

**ANNUAL REPORT**  
**2024 - 2025**

**The Naihati Jute Mills Company Limited**

## **BOARD OF DIRECTORS**

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

NISHA AGRAWAL (DIN 01007810) – *Independent Director*

SHRISH TAPURIAH (DIN 00395964) – *Independent Director*

ALOK KUMAR KHASTAGIR (DIN 00124558) – *Non-executive Director*

NIRMAL PUJARA (DIN 00047803) – *Non-executive Director*

SWATI GAUTAM (DIN 00948430) – *Non-executive Director*

### **SENIOR MANAGEMENT**

RAVI BHAGAT – *Chief Executive Officer*

ASHUTOSH BHAGAT – *Jt. Chief Executive Officer*

### **CHIEF FINANCIAL OFFICER**

CA KISHOR KUMAR SONTHALIA

### **COMPANY SECRETARY**

CS GOPAL PRASAD CHOUDHARY

### **BANKER**

PUNJAB NATIONAL BANK

### **REGISTRAR AND SHARE TRANSFER AGENT**

MAHESHWARI DATAMATICS PVT. LTD.

23, R.N. MUKHERJEE ROAD (5TH FLOOR),  
KOLKATA-700001

PHONE : (033) 2248 2248 / 2243 5029

FAX : (033) 2248 4787

E-mail : mdpldc@yahoo.com

### **AUDITORS**

B. CHHAWCHHARIA & CO.

*Chartered Accountants*

### **COST AUDITORS**

D. RADHAKRISHNAN & CO.

*Cost Accountants*

### **REGISTERED OFFICE**

7, HARE STREET (4TH FLOOR)

KOLKATA-700001

Phone:(033) 4000 4570

E-mail: naihati@naihatijute.com

Website: www.naihatijute.com

CIN : U17119WB1905PLC001612

### **MILL**

HAZINAGAR

NORTH 24 PARGANAS-743135

WEST BENGAL

### **CONTENTS**

NOTICE	1
DIRECTORS' REPORT	7
INDEPENDENT AUDITOR'S REPORT	14
BALANCE SHEET	24
STATEMENT OF PROFIT AND LOSS	25
CASH FLOW STATEMENT	26
NOTES ON FINANCIAL STATEMENTS	27

**NOTICE**

**TO THE MEMBERS**

NOTICE is hereby given that the 120th 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 Tuesday, the 12th day of August, 2025 at 3.00 P.M. to transact the following business:

1. To receive, consider and adopt the Financial Statements for the financial year ended 31st March, 2025 and the Reports of Board of Directors and Auditors thereon.
2. To declare dividend on Ordinary Shares.
3. To appoint a Director in place of Sushri Swati Gautam (DIN: 00948430), who retires by rotation and, being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS**

4. To appoint Shri Alok Kumar Khastagir (DIN: 00124558) as a Director liable to retire by rotation 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 provisions of Sections 149 and 152 and all other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Shri Alok Kumar Khastagir (DIN: 00124558) who was appointed as an Additional Director, pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of directors by rotation”.

5. 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 ₹30,000 plus applicable taxes and re-imbursement 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, 2026 be and is hereby ratified”.

6. 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 as Chairman and Managing Director of the Company for a further period of three years with effect from 1st October, 2025 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.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## NOTICE (contd.)

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."

Registered Office:  
7, Hare Street (4th Floor),  
Kolkata- 700001  
Date: 31st May, 2025

By Order of the Board  
  
CS GOPAL PRASAD CHOUDHARY  
Company Secretary

---

### 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. Dividend, if declared at the Annual General Meeting, will be paid to those members whose names appear on 08th day of August, 2025 as Members in the Register of Members of the Company or in the list of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
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.

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

**Item 4:** The Board of Directors at its meeting held on 17th August, 2024 appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Alok Kumar Khastagir as an Additional Director with effect from 1st October, 2024 to hold office as such only upto the date of ensuing Annual General Meeting. His appointment as a Director is required to be approved by the Members in the ensuing Annual General Meeting.

**NOTICE** (contd.)

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Shri Alok Kumar Khastagir for the office of Director of the Company.

Shri Alok Kumar Khastagir is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Shri Alok Kumar Khastagir is a Jute Technologist associated with the Company since 22nd July, 2005 as Director and held the position of Independent Director for two terms of five consecutive years up to 30th September, 2024. Keeping in view his vast knowledge of jute industry it will be in the interest of the Company that Shri Alok Kumar Khastagir is appointed as a Director liable to retire by rotation.

Save and except Shri Alok Kumar Khastagir and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item 4 of the notice.

**Item 5:** 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, 2026 at a remuneration of ₹30,000 plus applicable taxes and re-imbursement 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.

**Item 6:** 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, 2022. Thus, the term of his Office as Managing Director will expire on 30th September, 2025. 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 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 three years with effect from 1st October, 2025 on the following terms and conditions:

- a) SALARY: ₹750,000 (Rupees Seven lakh 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 55% of his annual salary. Unless the context otherwise requires, allowances and perquisites are classified into three categories A, B and C as follows:

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### NOTICE (contd.)

#### 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 45% 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 45% 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.

##### *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.

**NOTICE** (contd.)

**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 the above mentioned remuneration as the minimum remuneration subject to limits and conditions specified in Schedule V to the Act or any statutory modifications or re-enactments thereof as may be applicable at the relevant time.

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

The dispute in respect of dues of Sales-tax Loan to be paid to WBIDC (Government of West Bengal) remains unresolved and the Company has written to West Bengal Industrial Development Corporation Limited (WBIDC) for their approval for the re-appointment of Shri Jugal Kishore Bhagat as 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 6 of the notice.

**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 Year 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 31st March	Sales	Operating Profit	Profit before Tax	Profit after Tax
2021	22180	327	37	28
2022	20475	539	273	202
2023	34247	808	425	317
2024	26976	818	377	282
2025	21699	846	307	227

- 5) Foreign investments or collaborations, if any None

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## NOTICE (contd.)

### 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 had 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, independent director of listed companies.

#### 2) Past Remuneration

Year	Amount (₹)
2024-25	10,087,414
2023-24	10,878,409
2022-23	11,098,871
2021-22	9,631,844
2020-21	7,653,368

#### 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 Rs.750,000 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"

#### Registered Office

7, Hare Street (4th Floor),  
Kolkata- 700001  
Dated 31st May, 2025

By Order of the Board

CS GOPAL PRASAD CHOUDHARY  
Company Secretary



## DIRECTORS' REPORT

### TO THE MEMBERS

The Directors of your Company present their Annual Report and Financial Statements for the year ended 31st March, 2025.

### FINANCIAL RESULTS

(₹ in lakh)

Profit for the year before finance cost, depreciation and taxation		846.45
From which have been adjusted		
i) Finance Cost	271.09	
ii) Provision for Depreciation	267.99	
iii) Provision for Tax	65.50	
iv) Provision for Deferred Tax	14.68	619.26
leaving a surplus of		227.19
which is carried forward to Balance Sheet.		

### DIVIDEND

The Board of Directors (the Board) has recommended a dividend for the financial year 2024-25 @ 10%, i.e. ₹10 per share on 214,489 Ordinary Shares of ₹100 each amounting to ₹21.45 lakh. The dividend payment is subject to approval of members at the ensuing Annual General Meeting (AGM).

### OPERATIONS

During the first half of the year under review, capacity utilization in the mill and in the Jute Industry as a whole was significantly lower due to sluggish demand from domestic and overseas markets. This adversely affected the profitability of the Company. However, the demand from the domestic market, mainly government demand, improved drastically in the later part of the year. The Government also revised its Cost Plus pricing formula for Government B. Twill bags after a long time which now provides for a better rate of return to mills.

Due to lower demand for jute goods during the year under review and a healthy carry over, there was sufficient availability of raw jute at reasonable price inspite of a lower than average jute crop.

The Company made all out efforts to focus on improving productivity and thereby reducing the conversion cost which had gone up due to lower capacity utilization. As an effort towards modernization and also to mitigate the shortage of workmen, the Company continued to purchase and install S4A type rapier looms to replace the conventional sacking shuttle looms. Besides, programme for installation of Inter Drawing machine and Inter Jute Spreader was also undertaken to improve the spinning productivity and optimise raw material costs in the production process.

As a green initiative, the Company installed a rooftop solar power plant of around 1.5 MW capacity during the year under review. The solar power plant would also reduce the overall power cost and thus the manufacturing cost of the products of the Company.

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

	<u>Year 2024-25</u>	<u>Year 2023-24</u>
Production (M.Tonne)	20,431	27,011
Total Turnover (₹ in lakh)	21,699.19	26,976.24
Profit before taxation (₹ in lakh)	307.37	377.31
Profit after taxation (₹ in lakh)	227.19	281.93
Earning per share of face value of ₹100 (₹)	105.92	131.44

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## DIRECTORS' REPORT (contd.)

### OUTLOOK

The area under the raw jute crop for the ensuing season is expected to be lower due to the low prices received by the growers in the last two crop years. Hence, the availability of raw jute may be adversely affected during the current year and it is expected that price of raw jute will prevail significantly higher than the previous year.

The export market continues to remain very sluggish due to recessionary conditions in Europe. The domestic markets for hessian and sacking are also very competitive with the imported goods from Nepal and Bangladesh continuing to flood the market at much lower prices. Government sacking demand continues to be the mainstay of the industry. With the long overdue revision of prices of Government B. Twill bags, we are optimistic on the future outlook of the Company and the Industry as a whole during the current year.

The availability of skilled labour in the mills has become very challenging as workers superannuating are not being able to be replaced each year. Further, establishment of small units in the unorganized sector, especially in the jute growing areas, operating with much lower wages and costs pose a challenge to the healthy growth of the organized sector.

The management continues to strive to invest in machines and other infrastructure to make the mill more efficient and profitable.

### DIRECTORS

Based on the recommendation of Nomination and Remuneration Committee, the Board re-appointed Shri Jugal Kishore Bhagat as Managing Director for a further term of three years with effect from 1st October, 2025 subject to approval of Shareholders of the Company and such other approval and sanctions as may be necessary.

Based on the recommendation of Nomination and Remuneration Committee, the Board appointed Shri Alok Kumar Khastagir as an Additional Director with effect from 1st October, 2024 who shall hold office as such upto the date of ensuing Annual General Meeting (AGM).

As per provisions of Section 152 of the Act, Sushri Swati Gautam, Director, retires by rotation at the ensuing AGM and, being eligible, offers herself for re-appointment.

The Company has received declarations from Shri Shrish Tapuriah and Shrimati Nisha Agrawal, 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 31st May, 2024, 17th August, 2024, 15th November, 2024 and 19th February, 2025.

### AUDIT COMMITTEE

Audit Committee is in place with its composition as under :-

- |                                    |                                  |
|------------------------------------|----------------------------------|
| 1. Shri Shrish Tapuriah (Chairman) | - Independent Director           |
| 2. Shrimati Nisha Agrawal          | - Independent Director           |
| 3. Shri Jugal Kishore Bhagat       | - Chairman and Managing Director |

Meetings of the Committee were held during the year on 31st May, 2024, 17th August, 2024, 15th November, 2024 and 19th February, 2025.

### 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 :

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;

**DIRECTORS' REPORT** (contd.)

- 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 the 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.

**TRANSFER TO RESERVES**

₹100,000,000 has been transferred from the surplus in the Statement of Profit and Loss to General 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**

The provisions of the Section 135 of the Act in connection with Corporate Social Responsibility are not applicable to the Company since the Company falls below the threshold limits.

**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 -'B'**, which forms part of this Report.

**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 AGM held on 20th September, 2022 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 NAIHATI JUTE MILLS COMPANY LIMITED

## DIRECTORS' REPORT (contd.)

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 1st April, 2000 and for any additional liability, if any, on this account.

### COST AUDITORS

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 31st March, 2026 at a remuneration of ₹30,000 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.

### SECRETARIAL AUDIT

The provisions of the Section 204 of the Act in connection with Secretarial audit are not applicable to the Company since the Company falls below the threshold limits.

### 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 HARASSMENT 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 2024.

### STAFF AND LABOUR

Industrial relations remained harmonious during the year.

### PARTICULARS OF EMPLOYEES

The details of employees who are in receipt of remuneration exceeding the limits prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure 'C'** and forms part of this Report.

### 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 elements 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

Kolkata  
31st May, 2025

JUGAL KISHORE BHAGAT  
Chairman and Managing Director  
DIN: 00055972

# 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 2024-25	
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	Four years with effect from 1st April, 2024
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	1) ₹530,000 per month (in the scale of ₹530,000 – ₹40,000 – ₹650,000)* 2) ₹525,000 per month (in the scale of ₹525,000 – ₹40,000 – ₹645,000)* *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	12th February, 2024
(f) Amount paid as advance, if any	Nil

For and on behalf of the Board

Kolkata  
31st May, 2025

JUGAL KISHORE BHAGAT  
Chairman and Managing Director  
DIN: 00055972

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## ANNEXURE – B 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) Replacement of old shuttle looms with latest automated looms. 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	1) The Company has installed Solar Captive Power plant of 1534.5 kwp in its plant during the year. 2) 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	NIL
(ii) Foreign Exchange outgo in terms of actual outflows	₹557.49 lakh

For and on behalf of the Board

Kolkata  
31st May, 2025

JUGAL KISHORE BHAGAT  
Chairman and Managing Director  
DIN: 00055972

**ANNEXURE – C TO DIRECTORS’ REPORT**

**Information pursuant to Rule 5(2) of Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The following persons were employed during the financial year and were in receipt of remuneration for that year which, in the aggregate, was not less than ₹1.02 crore (one crore and two lakh rupees):-

Name	Designation	Remuneration Received (₹ in lakh)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age (years)	Last employment held	% of ordinary shares held	Relationship with any other Director/ Manager with name of such Director/ Manager
Jugal Kishore Bhagat	Chairman and Managing Director	110.87	Contractual	B.Com. 55 years	01.10.1969	81	None	8.78	None

Notes :

- (a) The appointment is contractual and terminable by notice on either side.
- (b) Remuneration shown above is subject to tax and comprises of basic salary, allowances & monetary value of perquisites.
- (c) Information above qualification is based on particulars furnished by the concerned employee.

There are no employees in the Company who have been employed for a part of the financial year and are in receipt of remuneration for any part of the year which is not less than eight lakh and fifty thousand rupees per month.

For and on behalf of the Board

Kolkata  
31st May, 2025

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

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT

To the Members of

THE NAIHATI JUTE MILLS COMPANY LIMITED

### Report on the Audit of 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, 2025, the Statement of Profit and Loss, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").
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 matters described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, and its profit and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

- 3.1 Provision for accrued liability of gratuity of existing employees amounting to ₹1537.99 lakh (Previous Year ₹1456.62 lakh) 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 27(ii)].
- 3.2 (a). *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(j)].*  
(b). *Non-provision of interest on loan from WBIDC amounting to ₹306.59 lakh (Previous Year ₹296.31 lakh) [Refer Note 4(j)].*

*Accordingly, without considering the observations made in paragraph 3.2(a) above where the effect is not ascertainable, had the observations made by us in paragraphs 3.1 and 3.2(b) been considered, the profit for the year would have been lower by ₹1844.58 lakh (Previous Year ₹1752.93 lakh) with corresponding effect on the shareholders fund and the current assets.*

4. We conducted our audit of the financial statements 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 the 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 qualified opinion on the financial statements.

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

5. The Company's Board of Directors are 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 auditor's 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.



**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 accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing these financial statements, the Board of Directors are 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 the Board of Directors 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 the 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 specified under Section 143(10) of the Act, 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 with reference to financial statements in place and the operating effectiveness of such controls;

## THE NAIHATI JUTE MILLS COMPANY LIMITED

### 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 Board of Directors' 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; and
  - 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.

#### **Report on Other Legal and Regulatory Requirements**

12. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limits laid down under Section 197 read with Schedule V of the Act;
13. As required by the Companies (Auditor's Report) Order, 2020 (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, to the extent applicable.
14. Further to our comments in **Annexure A**, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - 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 effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021;*
  - 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, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31st March, 2025 and operating effectiveness of such controls, refer to our separate report in **Annexure 'B'** wherein we have expressed an unmodified opinion;
  - g. 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 as at 31st March, 2025;

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

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2025;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2025;
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities (the intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (the Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Company during the year ended 31st March, 2025 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 3 to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31st March, 2025 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended 31st March, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

KSHITIZ CHHAWCHHARIA  
Partner

Place: Kolkata  
Date: 31st May, 2025

Membership No.: 061087  
UDIN: 25061087BMPIPY1944

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

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

The Annexure referred to in Paragraph 13 of the 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 31st March, 2025.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company, disclosed in Note 10 to the financial statements, are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) According to the information and explanations given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in Note 7 to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹5 crore by banks and based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, provided by it as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of

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

account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records 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.

- (vii) (a) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross amount (₹ in lakh)	Amount paid under protest (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Employees State Insurance Act, 1948	Additional demand	23.29	3.17	July, 1973 – November, 1975, January, 1985 - June, 1986, 1990-91, 1992-93, 1993-94, 1997-98 to 1999-2000	The Employees State Insurance Court	-
Income Tax Act, 1961	Income tax	2.85	-	2019-20	Commissioner of Income Tax (Appeals)	-

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings to any lender or in the payment of interest thereon, except for the below:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid till the date of audit report	Remarks, if any
Sales tax Loan	Government of West Bengal (through WBIDC)	₹171.30 lakh plus interest charged under dispute	Both	Since April, 2012	Company has been burdened with the additional charge of interest of ₹160 lakh beyond the cut off date of 30th September, 1990 as provided in the Rehabilitation Scheme duly sanctioned by BIFR and the payment of principal has been also not regularised by WBIDC, the Nodal Agency of the lenders. Further, Company's 'One Time Settlement' proposal last submitted in December, 2022 is also pending settlement. The default, if any, is disputed.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

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

- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short-term basis have not been utilised for long-term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clauses 3(ix)(e) and (f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under Section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Accounting Standard 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2011 as prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under Section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.

## THE NAIHATI JUTE MILLS COMPANY LIMITED

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

- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section 1 of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

KSHITIZ CHHAWCHHARIA  
Partner  
Membership No.: 061087  
UDIN: 25061087BMP1PY1944

Place: Kolkata  
Date: 31st May, 2025



# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

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

Independent Auditor's Report on the internal financial controls with reference to financial statements under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

1. In conjunction with our audit of the financial statements of THE NAIHATI JUTE MILLS COMPANY LIMITED (the Company) as at and for the year ended 31st March, 2025, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

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

2. The Company's Board of Directors 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 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 internal financial control with reference to Financial Statement based on our audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial control with reference to Financial Statement, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by 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 internal financial controls with reference to financial statements was 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 internal financial control with reference to Financial Statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial control with reference to Financial Statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidences we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control with reference to Financial Statement.

#### Meaning of Internal Financial Control with reference to Financial Statement

6. A company's internal financial control with reference to Financial Statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statement 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



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

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 with reference to Financial Statements**

7. Because of the inherent limitations of internal financial control with reference to Financial Statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control with reference to Financial Statement to future periods are subject to the risk that internal financial control with reference to Financial Statement 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, to the best of our information and according to the explanations given to us the Company has, in all material respects, maintained adequate internal financial controls system with reference to financial statements were operating effectively as of 31st March, 2025, based on the internal control with reference to financial statements 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 ICAI.

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

KSHITIZ CHHAWCHHARIA  
Partner

Place: Kolkata  
Date: 31st May, 2025

Membership No.: 061087  
UDIN: 25061087BMP1PY1944

# THE NAIHATI JUTE MILLS COMPANY LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2025

(₹ in lakh)

Particulars	Note	As at 31-03-2025	As at 31-03-2024
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	2	214.49	214.49
(b) Reserves and Surplus	3	<u>20,728.13</u>	<u>20,522.39</u>
		20,942.62	20,736.88
<b>Non-current Liabilities</b>			
(a) Long-term Borrowings	4	481.47	339.27
(b) Deferred Tax Liabilities (net)	5	50.74	36.06
(c) Long-term Provisions	6	<u>143.57</u>	<u>148.19</u>
		675.78	523.52
<b>Current Liabilities</b>			
(a) Short-term Borrowings	7	3,093.33	1,749.59
(b) Trade Payables	8		
- Total outstanding dues of Micro and Small Enterprises		58.30	59.83
- Total outstanding dues of creditors other than Micro and Small Enterprises		1,014.27	442.42
(c) Other Current Liabilities	9	1,800.25	1,594.59
(d) Short-term Provisions	6	<u>242.27</u>	<u>273.04</u>
		6,208.41	4,119.47
<b>Total Equity And Liabilities</b>		<u>27,826.81</u>	<u>25,379.87</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant & Equipment and Intangible Assets	10		
- Property, Plant and Equipment		19,924.92	19,552.97
- Intangible Assets		10.80	16.84
- Capital Work-in-Progress			
- Property, Plant and Equipment		14.50	-
		<u>19,950.22</u>	<u>19,569.81</u>
(b) Non-current Investments	11	0.10	0.10
(c) Long-term Loans and Advances	12	16.54	16.39
(d) Other Non-current Assets	13	<u>9.72</u>	<u>9.60</u>
		19,976.58	19,595.90
<b>Current Assets</b>			
(a) Inventories	14	5,606.88	4,406.59
(b) Trade Receivables	15	1,936.40	1,002.45
(c) Cash and Cash Equivalents	16	86.85	155.15
(d) Short-term Loans and Advances	12	219.49	219.44
(e) Other Current Assets	17	<u>0.61</u>	<u>0.34</u>
		7,850.23	5,783.97
<b>Total Assets</b>		<u>27,826.81</u>	<u>25,379.87</u>

As per our Report of even date  
For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm Registration No. 305123E  
KSHITIZ CHHAWCHHARIA  
Partner  
Membership No. 061087  
UDIN:25061087BMPIPY1944  
Place: Kolkata  
Date: 31st May, 2025

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, 2025 (₹ in lakh)

Particulars	Note	2024-25	2023-24
I. Revenue from Operations	18	21,699.19	26,976.24
II. Other Income	19	67.18	243.73
III. Total Income (I + II)		21,766.37	27,219.97
IV. Expenses			
(a) Cost of Materials Consumed	20	12,522.33	16,317.86
(b) Change in Inventories of Finished Goods and Work-in-Progress	21	115.52	29.67
(c) Employee Benefits Expense	22	5,788.55	6,996.52
(d) Finance Cost	23	271.09	190.27
(e) Depreciation and Amortization Expense	10	267.99	250.06
(f) Other Expenses	24	2,493.51	3,058.28
Total Expenses		21,458.99	26,842.66
V Profit before Tax (III - IV)		307.37	377.31
VI Tax Expenses			
(a) Current Tax		65.50	64.00
(b) Deferred Tax		14.68	31.38
VII Profit for the Year (V-VI)		227.19	281.93
VIII Earning per Ordinary Share (Face value of ₹100)	31		
(a) Basic		105.92	131.44
(b) Diluted		105.92	131.44

Significant Accounting Policies and  
Notes to Financial Statements

1 to 38

As per our Report of even date  
For B. CHHAWCHHARIA & CO.  
*Chartered Accountants*  
Firm Registration No. 305123E  
KSHITIZ CHHAWCHHARIA  
*Partner*  
Membership No. 061087  
UDIN:25061087BMPIPY1944  
Place: Kolkata  
Date: 31st May, 2025

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, 2025

(₹ in lakh)

	2024-25	2023-24
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary items	307.37	377.30
<b>Adjusted for</b>		
- Depreciation	267.99	250.06
- Interest Income	(3.95)	(3.48)
- Finance Cost	271.09	190.27
- Liability no longer required written back	-	(1.88)
- Profit on sale of Fixed Assets	(7.03)	(48.66)
Operating Profit before Working Capital changes	835.47	763.62
<b>Adjusted for</b>		
Changes in Working Capital		
- Trade and Other Receivables	(948.44)	969.01
- Inventories	(1,200.29)	(523.79)
- Trade Payables and other current liabilities	740.57	(498.37)
Cash generated from Operations	(572.69)	710.48
- Income Tax paid (net of refund)	(51.59)	(64.69)
<b>Net Cash flow from Operating Activities (A)</b>	<b>(624.28)</b>	<b>645.79</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Purchase of Fixed Assets	(651.21)	(356.81)
- Sale of Fixed Assets	9.84	50.35
- Interest Received	3.95	3.48
<b>Net Cash used in Investing Activities (B)</b>	<b>(637.42)</b>	<b>(302.98)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Proceeds /(Repayment) of Long-term Borrowings (net)	142.20	(97.42)
- Proceeds /(Repayment) of Short-term Borrowings (net)	1,343.74	25.48
- Interest Paid	(271.09)	(190.27)
- Dividend Paid	(21.45)	(21.45)
<b>Net Cash from Financing Activities (C)</b>	<b>1,193.40</b>	<b>(283.66)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	(68.30)	59.14
Cash and Cash Equivalents at the beginning of the year	155.15	96.00
Cash and Cash Equivalents at the end of the year	86.85	155.15
<b>Components of Cash and Cash Equivalents</b>		
<b>Balances with Scheduled Bank :</b>		
-On Current Account	52.18	109.00
-Cash on Hand	24.23	25.47
-Fixed Deposit (more than 12 months maturity)	10.44	20.68
<b>Total Cash and Cash Equivalents (Refer Note 16)</b>	<b>86.85</b>	<b>155.15</b>

### Notes:

- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in the Accounting Standard 3 'Cash Flow Statements' specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- Cash and Cash Equivalent at the year-end as disclosed above are available for use in the ordinary course of business.
- Figures in brackets represents cash outflow.

As per our Report of even date  
For B. CHHAWCHHARIA & CO.  
Chartered Accountants  
Firm Registration No. 305123E  
KSHITIZ CHHAWCHHARIA  
Partner  
Membership No. 061087  
UDIN:25061087BMP1944  
Place: Kolkata  
Date: 31st May, 2025

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

## 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 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.

In respect of Land, the difference between carrying amount of Land and the revalued amount 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.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

Category	Useful life
Buildings	
- Non-factory Building (RCC Frame Structure)	60 Years
- Factory Building	30 Years
Plant and Machinery and Diesel Generating Set	15 Years
Electrical Installation	10 Years
Computers and data processing units	
- Servers and networks, such as, desktops, laptops, etc	3 Years
- Software and Licence	5 Years
Furniture and fixtures, Electrical Installation and Laboratory Equipment	10 Years
Office Equipment	5 Years
Motor Vehicle	8 Years

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.

### (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.

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

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 up to 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.

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.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

### **(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.

### **(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.

### **(xviii) STATEMENT OF CASH FLOW**

Cash flow are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.



# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

(₹ in lakh)

	As at 31-03-2025	As at 31-03-2024
<b>2 SHARE CAPITAL</b>		
<b>Capital Structure</b>		
<b>Authorized</b>		
479,989 (479,989) Ordinary Shares of ₹100 each	479.99	479.99
70,000 (70,000) Preference Shares of ₹100 each	70.00	70.00
	<b>549.99</b>	<b>549.99</b>
<b>Issued, Subscribed and Fully Paid-up</b>		
214,489 (214,489) Ordinary Shares of ₹100 each	<b>214.49</b>	<b>214.49</b>
<b>Share Capital Reconciliation</b>		
Ordinary Share Capital		
Balance at the beginning of the reporting period	214.49	214.49
Changes in Ordinary Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Change in Ordinary Share Capital during the current year	-	-
Balance at the end of the reporting period	<b>214.49</b>	<b>214.49</b>

### Particulars of Shareholders holding more than 5% shares as at Balance Sheet date

	As at 31-03-2025		As at 31-03-2024	
	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	18825	8.78	12825	5.98
Ravi Bhagat	20110	9.37	20110	9.37
Ashutosh Bhagat	21324	9.94	21324	9.94
Rita Bhagat	39958	18.63	39958	18.63
Vinita Bhagat	48353	22.54	47567	22.17
Archita Bhagat	-	-	48353	22.54
Vedant Bhagat	48567	22.64	-	-

### Particulars of Promoter Shareholding for Ordinary Share Capital as at Balance sheet date:

Promoter Name	As at 31-03-2025		As at 31-03-2024		% Change during the year
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	
Jugal Kishore Bhagat	18825	8.78	12825	5.98	2.80
Ravi Bhagat	20110	9.37	20110	9.37	-
Ashutosh Bhagat	21324	9.94	21324	9.94	-
Rita Bhagat	39958	18.63	39958	18.63	-
Vinita Bhagat	48353	22.54	47567	22.17	0.37
Archita Bhagat	-	-	48353	22.54	(22.54)
Jugal Kishore Bhagat HUF	-	-	6000	2.80	(2.80)
Bhagat Refinerers & Chemicals Private Limited	7795	3.63	7795	3.63	-

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

### 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.

(₹ in lakh)

	As at 31-03-2025	As at 31-03-2024
<b>3 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>		
Others (details not available)	5.67	5.67
<b>Securities Premium Reserve</b>		
Balance at the beginning of the year	34.00	34.00
Add: Created during the year	-	-
Balance at the end of the year	34.00	34.00
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	27.50	27.50
Add: Created during the year	-	-
Balance at the end of the year	27.50	27.50
<b>Revaluation Reserve</b>		
Balance at the beginning of the year	18,129.06	5,791.73
Add: Created during the year	-	12,337.33
Balance at the end of the year	18,129.06	18,129.06
<b>General Reserve</b>		
Balance at the beginning of the year	25.00	25.00
Add:- Transfer from Surplus in the Statement of Profit and Loss during the year	1,000.00	-
Balance at the end of the year	1,025.00	25.00
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	2,301.16	2,040.68
Add: Profit for the year	227.19	281.93
	2,528.35	2,322.61
Less : Transfer to General Reserve during the year	1,000.00	-
Less : Final Dividend	21.45	21.45
Balance at the end of the year	1,506.90	2,301.16
	20,728.13	20,522.39

The Board of Directors of the Company has proposed a dividend on Ordinary Shares for ₹21.45 lakh for the year ended 31st March, 2025, subject to approval of Shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in cash outflow of ₹21.45 lakh.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

(₹ in lakh)

	Non-current portion		Current maturities	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
<b>4 LONG-TERM BORROWINGS</b>				
<b>Secured Loans</b>				
<b>From Banks</b>				
Rupee Term Loan	441.10	228.66	325.74	202.62
Rupee Vehicle Loan	4.98	14.55	17.12	25.01
Rupee Working Capital Term Loan	35.39	96.06	60.66	89.41
<b>From Government of West Bengal</b>				
Loan for payment of sales tax and raw jute tax dues:				
Loan (through WBIDC)	-	-	171.30	171.30
	<u>481.47</u>	<u>339.27</u>	<u>574.82</u>	<u>488.34</u>
Amount disclosed under the head 'Short-Term Borrowings' (Refer Note 7)	-	-	574.82	488.34
	<u>481.47</u>	<u>339.27</u>	-	-

### Security

Rupee Term Loan of ₹766.84 lakh 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 Bansidhar Ghanshyamdass.

Rupee Vehicle Loans of ₹22.10 lakh from Bank is secured by hypothecation of specific vehicles being financed.

Rupee Working Capital Term Loan of ₹96.05 lakh from Bank is 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 National Credit Guarantee Trustee Company.

Loan of ₹274.14 lakh (including interest upto March, 2000 ₹102.84 lakh - 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 <u>Instalments</u>	Amount of <u>Instalment</u>	Maturity <u>date</u>	<u>Interest</u>
a) Rupee Term Loan of ₹108.41 lakh from Punjab National Bank	13 Monthly	PRINCIPAL ₹8.33 lakh	30-04-2026	RLLR+0.20%
b) Rupee Term Loan of ₹17.52 lakh from Punjab National Bank	4 Monthly	PRINCIPAL ₹4.39 lakh	31-07-2025	RLLR+0.20%
c) Rupee Term Loan of ₹253.59 lakh from Punjab National Bank	30 Monthly	PRINCIPAL ₹8.33 lakh	30-09-2027	RLLR+0.20%
d) Rupee Term Loan of ₹387.32 lakh from Punjab National Bank	36 Monthly	PRINCIPAL ₹10.83 lakh	30-09-2027	RLLR
e) Rupee Vehicle Loan of ₹1.25 lakh from Punjab National Bank	2 Monthly	EMI ₹0.42 lakh	31-05-2025	9.25%
f) Rupee Vehicle Loan of ₹2.92 lakh from Punjab National Bank	3 Monthly	EMI ₹0.83 lakh	30-06-2025	9.25%
g) Rupee Vehicle Loan of ₹9.55 lakh from Punjab National Bank	9 Monthly	EMI ₹1.10 lakh	31-12-2025	8.20%
h) Rupee Vehicle Loan of ₹8.38 lakh from Punjab National Bank	28 Monthly	EMI ₹0.33 lakh	11-07-2027	8.20%
i) Rupee Working Capital Term Loan of ₹96.05 lakh from Punjab National Bank	19 Monthly	PRINCIPAL ₹5.06 lakh	31-10-2026	RLLR+0.85% Max 9.25%

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

- j) Loan from Government of West Bengal (through WBIDC) - (i) Loan with interest upto March, 2000 amounting to ₹274.14 lakh was repayable in 24 quarterly instalments commencing from June, 2001, (ii) Further interest (net of rebate) from April, 2000 to March, 2025 amounting to ₹306.59 lakh (including ₹10.28 lakh 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.

(₹ in lakh)

	As at 31-03-2025	As at 31-03-2024
<b>5 DEFERRED TAX LIABILITIES (net)</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	<u>76.62</u>	<u>61.94</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>25.88</u>	<u>25.88</u>
<b>Net Deferred Tax Liabilities</b>	<u>50.74</u>	<u>36.06</u>

	Long-term		Short-term	
	As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024
<b>6 PROVISIONS</b>				
<b>Provision for Employee Benefits</b>				
For Bonus	-	-	201.63	226.50
For Leave Benefits	<u>143.57</u>	<u>148.19</u>	<u>40.64</u>	<u>46.54</u>
	<u>143.57</u>	<u>148.19</u>	<u>242.27</u>	<u>273.04</u>

## 7 SHORT-TERM BORROWINGS

From Banks (secured) :		
Working Capital Loans	2518.51	1261.25
Current maturities of Long-term debts (Refer Note 4)	<u>574.82</u>	<u>488.34</u>
	<u>3,093.33</u>	<u>1,749.59</u>

Working Capital Loans and Packing Credit from Bank 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 Bansidhar Ghanshyamdass.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

(₹ in lakh)

	As at 31-03-2025	As at 31-03-2024
<b>8 TRADE PAYABLES</b>		
For Goods and Services received in the ordinary course of business		
Total outstanding dues of Micro and Small Enterprises	<b>58.30</b>	59.83
Total outstanding dues of creditors other than Micro and Small Enterprises	<b>1014.27</b>	442.42
	<b>1,072.57</b>	502.25

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>For the year ended 31st March, 2025</b>					
(i) MSME	<b>58.30</b>	-	-	-	<b>58.30</b>
(ii) Others	<b>1010.29</b>	<b>3.98</b>	-	-	<b>1014.27</b>
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed - Others	-	-	-	-	-
<b>For the year ended 31st March, 2024</b>					
(i) MSME	59.83	-	-	-	59.83
(ii) Others	438.14	4.27	-	-	442.42
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed - Other	-	-	-	-	-

	As at 31-03-2025	As at 31-03-2024
<b>9 OTHER CURRENT LIABILITIES</b>		
Interest accrued and due on Borrowings (WBIDC)	<b>102.84</b>	102.84
Advance from Customers	<b>40.04</b>	17.42
Statutory Dues	<b>182.06</b>	73.55
Other Payables (includes provision for outstanding liabilities and expenses, unclaimed employee benefits and other expenses payable)	<b>1,475.31</b>	1,400.78
	<b>1,800.25</b>	1,594.59

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

10. PROPERTY, PLANT AND EQUIPMENTS

(₹ in lakh)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK			
	As at 01-04-2024	Additions	Deductions and/or Adjustments	Amount of change due to Revaluation	Total as at 31-03-2025	Up to 31-03-2024	During the year	Deductions and/or Adjustments	Up to 31-03-2025	As at 31-03-2025	As at 31-03-2024
Land	18,031.00	-	-	-	18,031.00	-	-	-	-	18,031.00	18,031.00
Buildings	437.97	-	-	-	437.97	371.50	3.90	-	375.40	62.57	66.47
Plant and Machinery	4,033.26	178.34	11.36	-	4,200.24	2,685.47	222.35	11.18	2,896.64	1,303.60	1,347.79
Solar Plant	-	437.33	-	-	437.33	-	3.80	-	3.80	433.53	-
Diesel Generating Sets	130.70	-	-	-	130.70	124.34	0.06	-	124.40	6.30	6.36
Engines and Boilers	50.52	-	-	-	50.52	48.22	-	-	48.22	2.30	2.30
Sprinkler Installation	9.17	-	-	-	9.17	9.17	-	-	9.17	-	-
Electrical Installation	228.70	-	-	-	228.70	217.63	-	-	217.63	11.07	11.07
Railway Siding	2.75	-	-	-	2.75	2.75	-	-	2.75	-	-
Tubewell Installation	19.69	-	-	-	19.69	18.71	-	-	18.71	0.98	0.98
Jetty	10.20	-	-	-	10.20	10.20	-	-	10.20	-	-
Furniture and Fittings	53.04	0.75	-	-	53.79	45.88	1.67	-	47.55	6.24	7.16
Vehicles	177.68	11.89	33.13	-	156.44	114.91	22.30	30.51	106.70	49.74	62.77
Office Machinery, Equipments, Airconditioners and Refrigerators	66.23	3.25	-	-	69.48	57.87	3.07	-	60.94	8.54	8.36
Computer	126.06	5.14	-	-	131.20	119.29	4.47	-	123.76	7.44	6.77
Weighing Machines	21.32	-	-	-	21.32	19.38	0.33	-	19.71	1.61	1.94
TOTAL	23,398.29	636.70	44.49	-	23,990.50	3,845.32	261.95	41.69	4,065.58	19,924.92	19,552.97
Intangible Assets											
Computer Software	43.61	-	-	-	43.61	26.77	6.04	-	32.81	10.80	16.84
TOTAL	23,441.90	636.70	44.49	-	24,094.11	3,872.09	267.99	41.69	4,098.39	19,935.72	19,569.81
Previous Year Figures	10,811.99	357.07	64.49	12,337.33	23,441.90	3,684.84	250.06	62.81	3,872.09	19,569.81	

Land at its Mill in Hazinagar, North 24 Paraganas has been revalued and restated in the books of the Company, based on the valuation report of a Chartered Valuer, at the market value as on 31.03.2024, as a going concern. Consequently, the value of ₹18,031.00 lakh has been restated against the carrying amount of ₹5,693.67 lakh by transfer of the increase in value being ₹12,337.33 lakh by credit to Revaluation Reserve in the year 2023-24.

Plant and Machinery includes ₹Nil (₹0.85 lakh) as Borrowing Cost.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

(₹ in lakh)

Property, Plant and Equipment Assets under development ageing schedule

As at 31-03-2025

Particulars	Amount in Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	14.50	-	-	-	14.50
Projects temporarily suspended	-	-	-	-	-

As at 31-03-2024

Particulars	Amount in Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

As at 31-03-2025 As at 31-03-2024

### 11 NON-CURRENT INVESTMENTS

Other Investments (valued at cost) - Unquoted

Investment in Debentures

5% Non-redeemable Debenture Stock, 1957 of Woodland Hospital & Medical Research Centre Limited

0.10	0.10
0.10	0.10

Long-term		Short-term	
As at 31-03-2025	As at 31-03-2024	As at 31-03-2025	As at 31-03-2024

### 12 LOANS AND ADVANCES

Unsecured, Considered good

Capital Advances

5.00 5.00

- -

Others

Advances recoverable in cash or in kind or for value to be received

5.38 3.68

41.73 35.56

Prepaid Expenses

6.16 7.71

9.86 11.61

Advance tax and TDS (net of provision)

- -

50.82 64.72

Balance with Statutory/

Government Authorities

- -

117.08 107.55

16.54 16.39

219.49 219.44

The Company has not granted any loan and advances in the nature of loans to promoters, directors, KMPs and related parties during the current as well as previous financial year.

### 13 OTHER NON-CURRENT ASSETS

Security Deposit

9.72 9.60

9.72 9.60

### 14 INVENTORIES

(as taken, valued and certified by the management)

Raw Material

3,625.16 2,308.40

Work-in-Progress

805.35 820.17

Finished Goods

989.22 1,089.92

Stores and Spare Parts

187.15 188.10

5,606.88 4,406.59

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

(₹ in lakh)

	As at 31-03-2025	As at 31-03-2024				
<b>Details of Raw Material</b>						
Raw Jute	3,586.29	2,282.28				
Batching Oil	29.42	18.42				
Dyes and Chemicals	7.31	5.92				
Caddies, Thread Waste etc.	2.14	1.78				
	<u>3,625.16</u>	<u>2,308.40</u>				
<b>15 TRADE RECEIVABLES</b>						
Dues for the period upto six months	1,891.79	957.84				
Others	44.61	44.61				
	<u>1,936.40</u>	<u>1,002.45</u>				
Trade Receivables ageing schedule:						
	Outstanding for following periods from date of transaction					
Particulars	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>For the year ended 31st March, 2025</b>						
(i) Undisputed-Considered Good	1891.79	-	-	1.62	18.58	1,911.99
(ii) Undisputed-Considered doubtful	-	-	-	-	-	-
(iii) Disputed-Considered good	-	-	-	-	24.41	24.41
(iv) Disputed-Considered doubtful	-	-	-	-	-	-
						<u>1,936.40</u>
<b>For the year ended 31st March, 2024</b>						
(i) Undisputed-Considered Good	957.84	-	1.62	-	18.58	978.04
(ii) Undisputed-Considered doubtful	-	-	-	-	-	-
(iii) Disputed-Considered good	-	-	-	-	24.41	24.41
(iv) Disputed-Considered doubtful	-	-	-	-	-	-
						<u>1,002.45</u>
	<b>As at 31-03-2025</b>	<b>As at 31-03-2024</b>				
<b>16 CASH AND CASH EQUIVALENTS</b>						
Balances with Banks in Current Account	52.18	109.00				
Cash on hand	24.23	25.47				
Fixed Deposit (more than 12 months maturity)	10.44	20.68				
	<u>86.85</u>	<u>155.15</u>				
<b>17 OTHER CURRENT ASSETS</b>						
Interest Receivable	0.61	0.34				
	<b>2024-2025</b>	<b>2023-2024</b>				
<b>18 REVENUE FROM OPERATIONS</b>						
<b>Sale of Products</b>						
Finished Goods	21,690.00	26,962.58				
<b>Other Operating Revenue</b>						
By-products	9.19	13.66				
	<u>21,699.19</u>	<u>26,976.24</u>				
<b>19 OTHER INCOME</b>						
Interest Income	3.95	3.48				
Insurance Claim received	17.84	-				
Foreign Exchange Fluctuations	1.87	12.20				
Liability no longer required	-	1.88				
Profit on sale of Fixed Assets	7.03	48.66				
Other Miscellaneous Income	36.49	51.72				
Excess Provision written back	-	125.79				
	<u>67.18</u>	<u>243.73</u>				



# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

(₹ in lakh)

	2024-2025	2023-2024
<b>20 COST OF MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	2,308.40	1,739.38
Add: Purchases less returns	13,839.09	16,886.88
Less: Inventory at the end of the year	3,625.16	2,308.40
	<u>12,522.33</u>	<u>16,317.86</u>
<b>21 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK- IN- PROGRESS</b>		
<b>Inventory at the beginning of the year</b>		
Finished Goods	1,089.92	1,036.25
Work-in-Progress	820.17	903.51
	<u>1,910.09</u>	<u>1,939.76</u>
<b>Inventory at the end of the year</b>		
Finished Goods	989.22	1,089.92
Work-in-Progress	805.35	820.17
	<u>1,794.57</u>	<u>1,910.09</u>
	<u>115.52</u>	<u>29.67</u>
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus etc.	5,186.12	6,324.02
Contribution to Provident and Other Funds	565.18	629.63
Staff Welfare Expenses	37.25	42.87
	<u>5,788.55</u>	<u>6,996.52</u>
<b>23 FINANCE COST</b>		
Interest Expenses	257.34	178.62
Other Borrowing Costs	13.75	11.65
	<u>271.09</u>	<u>190.27</u>
<b>24 OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	602.83	790.98
Bleaching, Processing and Printing Expenses	505.66	660.64
Power and Fuel	887.73	1,059.29
Rent	9.11	9.11
Repairs and Maintenance		
Plant and Machinery	33.83	45.13
Building	31.08	29.25
Others	81.76	74.72
Insurance	26.50	32.96
Rates and Taxes	16.64	25.67
Freight and Delivery Charges	41.41	54.34
Brokerage on Sales	21.98	24.48
Payment to Auditors		
For Statutory Audit	7.50	7.00
For Tax Audit	1.35	1.35
Internal Audit	2.00	2.00
Cost Audit	0.25	0.25
Directors' Fee	2.45	2.28
Professional and Consultancy Charges	45.34	56.27
Travelling Expenses	72.17	79.04
Miscellaneous Expenses	103.92	103.52
	<u>2,493.51</u>	<u>3,058.28</u>

## THE NAIHATI JUTE MILLS COMPANY LIMITED

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

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

- (a) Additional demand of Employees State Insurance for the years July, 1973 – November, 1975, 27-01-1985 to June, 1986, 1990-91, 1992-93, 1993-94 and 1997-98 to 1999-2000 amounting to **₹23.29 lakh** [amount deposited **₹3.17 lakh** their against] (same in previous year) against which Company's appeals are pending.
- (b) Contingent Liability in respect of contested demand of Income Tax for Assessment Year 2020-21 for **₹2.85 lakh** (₹2.85 lakh).

#### 26 Estimated amount of contracts remaining to be executed on capital account and not provided (net of advance) – **₹16.75 lakh** (₹17.00 lakh).

- 27 (i) The accrued and due liability of gratuity of employees retired/resigned during the year amounting to **₹77.23 lakh** (₹78.19 lakh) net of payment of **₹124.39 lakh** (₹141.99 lakh) 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' issued by The Institute of Chartered Accountants of India.

The accrued unprovided liability of existing employees as on 31st March, 2025 for future payments under the Payment of Gratuity Act, 1972 determined as per actuarial valuation amounts to **₹1537.99 lakh** (₹1454.62 lakh).

#### Defined Contribution Plan

(₹ in lakh)

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

Employer's Contribution to Provident and Pension Fund	<b>383.62</b> (431.43)
Employer's Contribution to ESIC Scheme	<b>115.93</b> (142.13)

#### 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.)

(₹ in lakh)

(A)	Gratuity (Partially funded)	
	Current Year	Previous Year
a) <b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
Defined Benefit Obligation at the beginning of the year	2752.09	2762.89
Current Service Cost	234.60	224.05
Interest Cost	189.63	201.69
Actuarial (gain)/loss	(95.91)	(213.29)
Benefits (paid)	(236.61)	(223.25)
Defined Benefit Obligation at the year end	2843.80	2752.09
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	1297.47	1241.72
Expected return on Plan Assets	90.04	87.40
Employer's contribution	142.86	134.26
Actuarial gain/(loss) on Plan Assets	12.04	57.34
Benefits paid	(236.61)	(223.25)
Fair value of Plan Assets at the year end	1305.80	1297.47
c) <b>Reconciliation of fair value of Assets and Obligations</b>		
Fair value of Plan Assets	1305.80	1297.47
Present value of Obligation	2843.80	2752.09
Amount recognised in Balance Sheet (gratuity to the extent of ₹1537.99 lakh remains unprovided)	1305.80	1297.47
d) <b>Expenses recognized during the year</b>		
Amount provided and contributed to Group Gratuity Scheme	65.63	56.07
e) <b>Actuarial assumptions</b>		
Mortality Table	2012-14 (Indian Assured Lives)	2012-14 (Indian Assured Lives)
Discount rate (per annum) compounded	6.54%	7.20%
Rate of escalation in salary (per annum)	6.00%	6.00%

Gratuity (Funded)					
	2024-25	2023-24	2022-23	2021-22	2020-21
Defined Benefit Obligation at the end of the year	2843.80	2752.09	2762.89	2,566.87	2,499.59
Fair value of planned assets at the end of the year	1305.80	1297.47	1241.72	1,166.56	1,138.91
Surplus / (Deficit)	(1537.99)	(1454.62)	(1521.18)	(1,400.31)	(1,360.67)

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.)

(₹ in lakh)

		Leave encashment (Unfunded)	
		Current Year	Previous Year
(B)			
a)	<b>Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
	Defined Benefit Obligation at the beginning of the year	194.73	173.16
	Current Service Cost	64.51	76.87
	Interest Cost	10.00	12.64
	Actuarial (gain)/loss	26.55	36.77
	Benefits (paid)	(111.59)	(104.71)
	Defined Benefit Obligation at the year end	184.21	194.73
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	111.59	104.71
	Actuarial gain/(loss) on Plan Assets	-	-
	Benefits paid	111.59	104.71
	Fair value of Plan Assets at year end	-	-
c)	<b>Reconciliation of fair value of Assets and Obligations</b>		
	Fair value of Plan Assets	-	-
	Present value of Obligation	184.21	194.73
	Amount recognised in Balance Sheet	184.21	194.73
d)	<b>Expenses recognized during the year</b>	(10.52)	21.57
e)	<b>Actuarial assumptions</b>		
	Mortality Table	2012-14 (Indian Assured Lives)	2012-14 (Indian Assured Lives)
	Discount rate (per annum) compounded	6.54%	7.20%
	Rate of escalation in salary (per annum)	6.00%	6.00%

The above information is certified by the Actuary.

- 28 A fire occurred at the jute godown on 28th October, 2024, resulting in the damage of 646.683 metric tonne of raw jute, valued at ₹361.79 lakh. Until salvage operations for the damaged raw jute are completed, this stock continues to be included in the raw material inventory. Any necessary adjustment for the loss will be made once the insurance claim has been settled with the insurance company.
- 29 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	58.30	59.83
	- 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

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

	Particulars	Current year	Previous year
4	The amount of interest accrued and remaining unpaid 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 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.

- 30** 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'.
- 31** Related Party Disclosures in accordance with the Accounting Standard 18 issued by ICAI are given below:

a. List of Related Parties:

Key Managerial Personnel	Jugal Kishore Bhagat – Chairman and Managing Director Ravi Bhagat – Chief Executive Officer Ashutosh Bhagat – Joint Chief Executive Officer Shrish Tapuriah – Independent Director Shrimati Nisha Agrawal – Independent Director Alok Kumar Khastagir – Non-executive Director Nirmal Pujara – Non-executive Director Sushri Swati Gautam – Non-executive Director Gopal Prasad Choudhary – Company Secretary Kishor Kumar Sonthalia – Chief Financial Officer
Relatives of Key Managerial Personnel	Shrimati Rita Bhagat Shrimati Vinita Bhagat Shrimati Archita Bhagat
Enterprises over which Key Management Personnel and/or relatives are able to exercise significant influence	Ajanta Commercial & Trading LLP Ashutosh Spinners LLP Bansidhar Ghanshyamdass Bhagat Agencies Private Limited Bhagat Refineres & Chemicals Private Limited Bhaskar Barter LLP CFM Infratex Limited Chhaya Rub-Chem LLP Ginni Securities Limited K.S.Agency & Marketing LLP Lotus Enclave LLP Maya Chaya Construction LLP Maya Rub-Chem LLP Multitech Electronics LLP Narottamka Commercial Company Private Limited

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

Enterprises over which Key Management Personnel and/or relatives are able to exercise significant influence	Penon Constructions LLP Raj Rajeshwar Promoters LLP Ravi Services & Trading Limited Reform Flour Mills Private Limited Rimjhim Traders & Dealers LLP Shiva Mercantile & Trading Company Private Limited Softex Compu-Data LLP Twinkle Lefin Private Limited Vedant Credit Finance Private Limited Viable Agencies & Marketing LLP
---	--

b. Transactions with related parties: (₹ in lakh)

Particulars	Enterprises having significant influence		Key managerial Personnel and their relatives	
	2024-25	2023-24	2024-25	2023-24
Loan taken & repaid during the year				
- Bhagat Refinerers & Chemicals Private Limited	100.00	-	-	-
- Bhagat Agencies Private Limited	100.00	-	-	-
- Ravi Services & Trading Limited	50.00	-	-	-
Interest on borrowings				
- Bhagat Refinerers & Chemicals Private Limited	0.47	-	-	-
- Bhagat Agencies Private Limited	4.34	-	-	-
- Ravi Services & Trading Limited	1.19	-	-	-
Remuneration paid to Managing Director	-	-	110.87	108.78
Salary paid to KMPs other than Managing Director	-	-	252.05	238.76
Director Sitting Fees	-	-	2.45	2.28
Payment of Rent, Hire charges, service charges & Maintenance charges				
-Ravi Services & Trading Limited	20.90	19.71	-	-
Dividend Paid	0.78	0.78	19.61	19.61
Guarantee given by Banshidhar Ghanshyamdass	For facilities from Punjab National Bank			

### 32 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	2024-25	2023-24
Net profit after tax available for Ordinary Shareholders (₹)	227.19	281.93
Weighted average number of Ordinary Share used as the denominator in calculating EPS	214,489	214,489
Basic and Diluted earning per Ordinary Share (Face value ₹100)	105.92	131.44

33 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, 2025.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

### 34 Imported and Indigenous Raw Materials and Stores and Spare Parts Consumed (₹ in lakh)

	Raw Material Consumed		Stores and Spare Parts Consumed	
	Value	%	Value	%
Imported	<b>726.43</b> (1949.92)	<b>5.80</b> (11.95)	- (-)	- (-)
Indigenous	<b>11795.90</b> (14,367.94)	<b>94.20</b> (88.05)	<b>602.83</b> (790.98)	<b>100.00</b> (100.00)

### 35 C.I.F. Value of Imports

Raw Jute **532.34** (1,553.69)

### 36 Expenditure in Foreign Currency

Travelling Expenses **25.15** (26.74)

### 37 Other Regulatory Information:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with struck off companies.
- (iii) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (iv) The Company has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- (viii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (ix) There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

# THE NAIHATI JUTE MILLS COMPANY LIMITED

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

### 38 Ratios : The followings are the analytical ratios:

Sl. No.	Particulars	Numerator	Denominator	Year ended	Year ended	Variance %
				31-03-2025	31-03-2024	
(i)	Current Ratio	Current Assets	Current Liabilities	1.26	1.40	-9.94
(ii)	Debt-Equity Ratio*	Total Debt	Shareholder's Equity	0.18	0.11	66.15
(iii)	Debt Service Coverage Ratio	Earning for Debts= Net profit after taxes+Non-cash Operating Expenses like Depreciation and other Amortization+Interest	Debt Service= Interest+ Principal Repayments	1.11	1.24	-10.08
(iv)	Return on Equity Ratio**	Net Profit after taxes	Average Shareholder's Equity	1.09	1.95	-44.17
(v)	Inventory Turnover Ratio***	Sales	Average Inventory (Opening+Closing/2)	4.33	6.51	-33.41
(vi)	Trade Receivables Turnover Ratio	Net Sales	Average Trade Debtors (Opening+Closing/2)	14.77	18.53	-20.29
(vii)	Trade Payables Turnover Ratio***	Net Purchase of Raw material and Stock-in-trade	Average Trade Payables (Opening+Closing/2)	15.90	25.41	-37.42
(viii)	Net Capital Turnover Ratio	Net Sales	Working Capital=Current Assets - Current Liabilities	13.22	16.21	-18.45
(ix)	Net profit Ratio	Net Profit after taxes	Net Sales	1.05	1.05	0.18
(x)	Return on Capital Employed	Earning before Interest and Tax (EBIT)	Capital Employed = (Equity + Debt + Accrued Interest)	2.35	2.48	-5.08
(xi)	Return on Investment	Profit after tax	Average Shareholder's Equity	NA	NA	NA

\* Primarily due to availment of term loan for establishment of Solar Power Plant and increased utilization of Short-term borrowing for working capital due to increased inventory levels in comparison to previous year.

\*\* Due to revaluation of land during the previous year.

\*\*\* Primarily due to less shift working/capacity utilisation which resulted in lower production, sales and purchase during the year in comparison to previous year.

### 39 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  
KSHITIZ CHHAWCHHARIA  
Partner  
Membership No. 061087  
UDIN: 25061087BMPY1944  
Place: Kolkata  
Date: 31st May, 2025

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

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

I hereby record my presence at the 120th Annual General Meeting of the Company being held on Tuesday, the 12th August, 2025 at 3.00 P.M. at Conference Room, 4th Floor, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017.

.....  
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 & 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/her
(2) Name .....	Address .....
Email Id : .....	Signature .....or failing him/her
(3) Name .....	Address .....
Email Id : .....	Signature .....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 120th Annual General Meeting of the Company being held on Tuesday, the 12th August, 2025 at 3.00 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 31st March, 2025
2.	Declaration of Dividend on Ordinary Shares.
3.	Appointment of Sushri Swati Gautam as a Director, liable to retire by rotation.
4.	Appointment of Shri Alok Kumar Khastagir as a Director.
5.	Ratification of remuneration to be paid to Messrs. D. Radhakrishnan & Co., Cost Accountants as Cost Auditors for financial year ended 31st March, 2026.
6.	Re-appointment of Shri Jugal Kishore Bhagat as Chairman and Managing Director for a further period of three years with effect from 1st October, 2025.

Signed this ..... day of .....2025

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.



## Route Map

To the venue of 120th Annual General Meeting at Conference Room, 4th Floor,  
Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017.



The prominent landmark near the venue is Shakespeare Sarani Police Station.

*If undelivered, please return to :*

**THE NAIHATI JUTE MILLS COMPANY LIMITED**

7, HARE STREET, 4TH FLOOR

KOLKATA - 700 001