

ANNUAL REPORT
2016 - 2017

If undelivered, please return to :

THE NAIHATI JUTE MILLS COMPANY LIMITED
7, HARE STREET, 4TH FLOOR
KOLKATA - 700 001

The Naihati Jute Mills Company Limited

BOARD OF DIRECTORS

JUGAL KISHORE BHAGAT – *Chairman and Managing Director*

GAUTAM UKIL – *Independent Director*

ALOK KUMAR KHASTAGIR – *Independent Director*

RAJ KUMAR MORE – *Independent Director*

VIKRAM PRAKASH

SMT. NISHA AGRAWAL

CHIEF FINANCIAL OFFICER

CA KISHOR KUMAR SONTHALIA

COMPANY SECRETARY

CS GOPAL PRASAD CHOUDHARY

AUDITORS

B. CHHAWCHHARIA & CO.
Chartered Accountants

COST AUDITORS

D. RADHAKRISHNAN & CO.
Cost Accountants

BANKERS

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

REGISTERED OFFICE

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

MILLS

HAZINAGAR
NORTH 24 PARGANAS - 743135
WEST BENGAL

CONTENTS

NOTICE	2
DIRECTORS' REPORT	4
INDEPENDENT AUDITORS' REPORT	18
BALANCE SHEET	26
STATEMENT OF PROFIT AND LOSS	27
CASH FLOW STATEMENT	28
NOTES ON FINANCIAL STATEMENTS	29

THE NAIHATI JUTE MILLS COMPANY LIMITED

CIN: U17119WB1905PLC001612

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the 112th 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-700 017 on Friday, 1st day of September, 2017 at 03.00 P.M. to transact the following business :

1. To receive, consider and adopt the Financial Statements for the financial year ended 31st March, 2017 and the Reports of Directors and Auditors thereon.
2. To declare dividend on Preference and Ordinary Shares.
3. To appoint a Director in place of Smt. Nisha Agrawal (DIN: 01007810), who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint Messrs B. Chhawchharia & Co., Chartered Accountants (ICAI Registration No. 305123E), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth consecutive Annual General Meeting on a remuneration to be mutually agreed upon with the Board of Directors subject to ratification by the members at every Annual General Meeting.

Special Business

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 Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) the remuneration of ₹ 25,000 plus applicable taxes and re-imbursalment 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, 2018 be and is hereby ratified".

By Order of the Board

Registered Office
7, Hare Street,
(4th Floor), Kolkata - 700001
Dated 20th June, 2017

CS GOPAL PRASAD CHOUDHARY
Company Secretary

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE (contd.)

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 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. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
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 1st September, 2017 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 (THE ACT)

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, 2018 at a remuneration of ₹ 25,000 plus applicable taxes and re-imbursalment 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 Auditor 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.

By Order of the Board

Registered Office
7, Hare Street,
(4th Floor), Kolkata - 700001
Dated 20th June, 2017

CS GOPAL PRASAD CHOUDHARY
Company Secretary

THE NAIHATI JUTE MILLS COMPANY LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

The Directors of your Company present their Annual Report and Financial Statements for the year ended 31st March, 2017.

FINANCIAL RESULTS

	(₹ in lakhs)	
Profit for the year before finance cost, depreciation and taxation		873.40
From which have been adjusted		
i) Finance Cost	106.47	
ii) Provision for Depreciation	200.41	
iii) Provision for Tax (Includes ₹ 50.62 lakhs of earlier year)	226.62	
iv) Provision for Deferred Tax	(21.70)	511.80
leaving a surplus of		361.60

which is carried forward to Balance Sheet

DIVIDEND

The Board of Directors has recommended a dividend @ 15% i.e. ₹ 15 per share for the financial year 2016-17 both on 10,000 Preference Shares of ₹ 100 each and 214,489 Ordinary Shares of ₹ 100 each amounting to ₹ 40.53 lakhs (inclusive of dividend distribution tax of ₹ 6.86 lakhs). The dividend payment is subject to approval of members at the ensuing Annual General Meeting.

OPERATIONS

The year under review was one in which the jute industry saw robust demand from food procurement agencies. So much so that the industry had to offer dilution of compulsory packaging norm under Jute Packaging Materials (Compulsory use in Packing Commodity Act, 1987) due to the bunching up of orders and the temporary dislocation of production in the industry as a result of the Demonetisation of November 8, 2016.

Raw Jute prices reverted to reasonable levels with the arrival of the new crop in August 2016 after touching record highs in the first quarter of the financial year.

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

	<u>Year 2016-17</u>	<u>Year 2015-16</u>
Production (M. Tonnes)	27814	25769
Total Turnover (₹ in lakhs)	23350.47	20593.31
Profit before taxation (₹ in lakhs)	566.52	422.54
Profit after taxation (₹ in lakhs)	361.60	272.31
Earning per share of Face value of ₹ 100 (₹)	168.59	126.96

Production during the year 2016-17 would have been higher but for acute labour shortage in the second half of the financial year.

OUTLOOK

The raw jute crop for the year 2017-18 is satisfactory on the back of favourable weather conditions and a substantial hike in Minimum Support Price for Raw Jute from ₹ 2700 to ₹ 3200 basis Desi TD-5.

THE NAIHATI JUTE MILLS COMPANY LIMITED

DIRECTORS' REPORT (contd.)

The Standing Advisory Committee on jute to Government of India recommended the dilution of compulsory packaging norm for foodgrains from 90% to 85% in the 2017-18 procurement season.

In January 2017, the Directorate General of Anti-dumping and Allied Duties, after an eighteen months' investigation, imposed anti-dumping duty on the import of jute yarn, hessian and sacking bags from Bangladesh and Nepal. This measure has given much needed relief to the yarn sector. The import of sacking in the form of cloth continues at a rapid pace making use of a gap in the duty structure.

The overall demand scenario for finished goods, especially sacking remains healthy on the expectation of a normal monsoon. The biggest challenge facing the industry today is of labour shortage caused by frequent absenteeism of workers on roll. Industry needs to incorporate changes in its wage structure to improve the situation.

DIRECTORS

As per provisions of Section 152 of the Companies Act, 2013 (the Act), Smt. Nisha Agrawal, Director, retires by rotation at ensuing Annual General Meeting and, being eligible, offers herself for re-appointment.

BOARD MEETINGS

During the year under review, four meetings of the Board of Directors were held on 6th June, 2016, 20th August, 2016, 10th November, 2016 and 20th February, 2017.

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

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) of the Act, yours 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 alongwith 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;
- 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;
- they have prepared the annual accounts on a going concern basis;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REMUNERATION POLICY

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

DIRECTORS' REPORT (contd.)**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 security 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

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

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There is no material changes and commitments subsequent to the date of financial statements.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Act in connection with Corporate Social Responsibility has become applicable to the Company at the end of financial year 2016-17 on achieving threshold limit of net profit of Rupees five crore.

The Company has been actively taking part in Jute I-Care programme by National Jute Board and Jute Corporation of India Limited, for adoption of best practices by the Jute Farmers for achieving higher yield and better quality of raw jute. Under this programme, the Company is implementing I-Care programme in Sahebnagar village under Bethuadahari region of Nadia district, West Bengal.

The Company has taken initiatives in carrying the message of 'Swachh Bharat' by conducting workshop, cleanliness' drive and tree plantation etc. during 1st May, 2017 to 15th May, 2017 in the periphery of Jute Mill and connected Workers' Colony.

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.

EXTRACT OF ANNUAL RETURN

In terms of provisions of Section 134(3)(a) of the Act, the extract of Annual Return as provided under Section 92(3) of the Act in Form No. MGT-9, is annexed as Annexure - 'C' which forms part of this Report.

FIXED DEPOSITS

The Company has neither invited nor accepted any fixed 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, court 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.

DIRECTORS' REPORT (contd.)**AUDITORS AND AUDITORS' REPORT**

Messrs B. Chhawchharia & Co., Chartered Accountants (ICAI Registration No. 305123E) were appointed as Auditors of the Company at the Annual General Meeting (AGM) held on 9th August, 2014 to hold office from the conclusion of the said AGM until the conclusion of fourth consecutive AGM. Thus, the said term will expire on the conclusion of the ensuing AGM. The said Auditors has expressed their willingness to be appointed as Auditors for further term of five years at the ensuing AGM subject to ratification of appointment by the Members at the every AGM held after the ensuing AGM. The Company has received an eligibility letter under Section 141 of the Act and the rules made thereunder that they are not disqualified. The Board, based on recommendation of Audit Committee, recommends the appointment of Messrs B. Chhawchharia & Co., as Auditors by the members at ensuing AGM.

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, 2018 at a remuneration of ₹ 25,000 plus applicable taxes and reimbursement of out of pocket expenses incurred by them subject to ratification of remuneration by the members of the Company at the forthcoming AGM.

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

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

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

The Company has in place an Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment of any of the female employees (permanent, contractual, temporary, trainees). No complaint has been received during the calendar year 2016.

STAFF AND LABOUR

Industrial relations remained harmonious during the year.

The Company has provided scholarship to 143 children of workers on qualifying Secondary and Higher Secondary Education during the year 2016-17 through a scheme of National Jute Board.

There is no employee in respect of whom particulars pursuant to Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 are required to be given.

THE NAIHATI JUTE MILLS COMPANY LIMITED

DIRECTORS' REPORT (contd.)

RISK MANAGEMENT POLICY

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN : 00055972

Kolkata
20th June, 2017

THE NAIHATI JUTE MILLS COMPANY LIMITED

ANNEXURE - A TO DIRECTORS' REPORT

FORM No. AOC-2

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.

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

1. Details of contracts or arrangements or transactions not at arm's length basis	
The Naihati Jute Mills Company Limited (Company) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17	
2. Details of material contracts or arrangement or transactions at arm's length basis	
(a) Name(s) of the related party and nature of relationship	1) Shri Ravi Bhagat 2) Shri Ashutosh Bhagat - both sons of Shri Jugal Kishore Bhagat, Chairman and Managing Director
(b) Nature of contracts / arrangements / transactions	Appointment as 1) Chief Executive Officer 2) Joint Chief Executive Officer
(c) Duration of the contracts / arrangements / transactions	Three years with effect from 1st April, 2016
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	Salary 1) ₹ 250,000 per month (in the Scale of ₹ 250,000 - ₹ 25,000 - ₹ 300,000)* 2) ₹ 245,000 per month (in the scale of ₹ 245,000 - ₹ 25,000 - ₹ 295,000)* *Plus other allowances, perquisites, benefits and amenities as applicable to other Senior Executives of the Company
(e) Date(s) of approval by the Board, if any	11th February, 2016
(f) Amount paid as advance, if any	Nil

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN : 00055972

Kolkata
20th June, 2017

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:

(A) Conservation of energy	
(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) Conversion of higher HP motors with lower HP and energy efficient motors. 3) Regular monitoring of steam, boiler and compressor to minimize losses. 4) Proper utilisation of capacitors on respective areas
(ii) The steps taken by the company for utilising alternate sources of energy	The Company is using jute caddies in place of coal for steam generation.
(iii) The capital investment on energy conservation equipments	No capital investment on energy conservation equipment was made during the year under review. The aforesaid electrical items procured during the year were consumable in nature.
(B) Technology absorption	
(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.
(C) Foreign Exchange Earnings and outgo	
i) Foreign Exchange earned in terms of actual inflows:	₹ 1129.35 lakhs
ii) Foreign Exchange outgo in terms of actual outflows:	₹ 1704.31 lakhs

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director

Kolkata

THE NAIHATI JUTE MILLS COMPANY LIMITED

ANNEXURE - C TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1	Jute Products	131,139	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	195837	27	195864	91.32	196061	76	196137	91.45	0.14
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	7795	-	7795	3.63	7795	-	7795	3.63	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	203632	27	203659	94.95	203856	76	203932	95.08	0.13
2. Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	203632	27	203659	94.95	203856	76	203932	95.08	0.13
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	49	452	501	0.23	49	378	427	0.20	(5.53)
c) Central Govt	-	-	-	-	75	-	75	0.03	100.00
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	85	85	0.04	-	85	85	0.04	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	49	537	586	0.27	124	463	587	0.27	0.17

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	257	5108	5365	2.50	-	3108	3108	1.45	(42.07)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	366	4513	4879	2.28	645	6217	6862	3.20	40.64
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2) :	623	9621	10244	4.78	645	9325	9970	4.65	(2.67)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	672	10158	10830	5.05	769	9788	10557	4.92	(2.52)
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	204304	10185	214489	100.00	204625	9864	214489	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Jugal Kishore Bhagat	6000	2.79	-	6000	2.79	-	-
2	Ashutosh Bhagat	146824	68.45	-	21324	9.94	-	(85.48)
3	Bhagat Refiners & Chemicals Private Limited	7795	3.64	-	7795	3.64	-	-
4	Ravi Bhagat	20110	9.38	-	20110	9.38	-	-
5	Rita Bhagat	10105	4.71	-	39958	18.63	-	295.43
6	Jugal Kishore Bhagat	12825	5.98	-	12825	5.98	-	-
7	Vinita Bhagat	-	-	-	47567	22.17	-	100.00
8	Archita Bhagat	-	-	-	48353	22.54	-	100.00
	Total	203659	94.95	-	203932	95.07	-	0.13

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

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

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
		No. of shares	% of total shares of the company	Date	Reason	No. of Shares		% of total Shares of the Company
						Increase(+)/Decrease(-)		
1	Ashutosh Bhagat	146824	68.45	28.10.2016	Inter se Transfer	125500 (-)	58.51	
				At the end of the year		21324	9.94	
2	Ravi Bhagat	20110	9.38	At the end of the year		20110	9.38	
3	Jugal Kishore Bhagat	12825	5.98	At the end of the year		12825	5.98	
4	Rita Bhagat	10105	4.71	06.06.2016	Transfer	197 (+)	0.09	
				28.10.2016	Inter se Transfer	29580 (+)	13.79	
				10.11.2016	Transfer	76 (+)	0.04	
				At the end of the year		39958	18.63	
5	Jugal Kishore Bhagat	6000	2.80	At the end of the year		6000	2.80	
6	Bhagat Refiners & Chemicals Pvt. Ltd.	7795	3.63	At the end of the year		7795	3.63	
7	Archita Bhagat	-	-	28.10.2016	Inter se Transfer	48353 (+)	22.54	
				At the end of the year		48353	22.54	
8	Vinita Bhagat	-	-	28.10.2016	Inter se Transfer	47567 (+)	22.18	
				At the end of the year		47567	22.18	

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
		No. of Shares	% of total Shares of the Company	Date	Reason	No. of Shares		% of total Shares of the Company
						Increase(+)/Decrease(-)		
1	Bharosa Vinimay Private Limited	3000	1.40	At the end of the year		3000	1.40	
2	Parmatma Dealer Private Limited	2000	0.93	10.11.2016	Transfer	2000 (-)	0.93	
3	Vedant Bhagat	-	-	10.11.2016	Transfer	1000 (+)	0.47	
				At the end of the year		1000	0.47	
4	Adarsh Bhagat	-	-	10.11.2016	Transfer	1000 (+)	0.47	
				At the end of the year		1000	0.47	
5	Wallfort Financial Services Limited	257	0.12	30.06.2016	Transfer	257 (-)	0.12	
6	Rakshak Hemantkumar Shah	-	-	30.06.2016	Transfer	257 (+)	0.12	
				At the end of the year		257	0.12	

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
		No. of Shares	% of total Shares of the Company	Date	Reason	No. of Shares		% of total Shares of the Company
						Increase(+)/Decrease(-)		
7	Sudhir Kumar Seal	248	0.12	At the end of the year		248	0.12	
8	Central Bank of India	137	0.06	At the end of the year		137	0.06	
9	C. H. Heape	100	0.05	At the end of the year		100	0.05	
10	Mohan Lal Bajaj	100	0.05	06.06.2016	Transfer	100 (-)	0.05	
11	Saifuddin Amiruddin Sarkar	100	0.05	At the end of the year		100	0.05	
12	Life Insurance Corporation of India	85	0.04	At the end of the year		85	0.04	
13	Matadin Goenka	80	0.04	At the end of the year		80	0.04	

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year			
		No. of Shares	% of total Shares of the Company	Date	No. of Shares		% of total Shares of the Company
					Increase(+)/Decrease(-)		
1	Jugal Kishore Bhagat	6000	2.80	At the end of the year	6000	2.80	
2	Jugal Kishore Bhagat	12825	5.98	At the end of the year	12825	5.98	

V. INDEBTEDNESS

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

(₹ In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	541.94	-	-	541.94
ii) Interest due but not paid	102.84	-	-	102.84
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	644.78	-	-	644.78
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change	1000.52	-	-	1000.52
Indebtedness at the end of the financial year				
i) Principal Amount	1542.46	-	-	1542.46
ii) Interest due but not paid	102.84	-	-	102.84
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1645.30	-	-	1645.30

THE NAIHATI JUTE MILLS COMPANY LIMITED

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri Jugal Kishore Bhagat, MD		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,370,135		4,370,135
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	5,859		5,859
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission - as % of profit - others, specify	-		-
5	Others, please specify	-		-
	Total (A)	4,375,994		4,375,994
	Ceiling as per the Act			

B. Remuneration to other directors (₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Shri Gautam Ukil	Shri Alok Kumar Khastagir	Shri Raj Kumar More	
1	Independent Directors				
	Fee for attending board committee meetings	27,000	39,000	27,000	93,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	27,000	39,000	27,000	93,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	6,000	18,000		24,000
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2)	6,000	18,000		24,000
	Total (B)=(1+2)				117,000
	Total Managerial Remuneration				4,492,994
	Overall Ceiling as per the Act				

THE NAIHATI JUTE MILLS COMPANY LIMITED

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

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

(₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		1,366,253	1,457,204	2,823,457
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission - as % of profit others, specify...		-	-	-
5	Others, please specify		-	-	-
	Total		1,366,253	1,457,204	2,823,457

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : None

For and on behalf of the Board

Kolkata
20th June, 2017

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN : 00055972

INDEPENDENT AUDITOR'S REPORT

To the Members of
THE NAIHATI JUTE MILLS COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of THE NAIHATI JUTE MILLS COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

INDEPENDENT AUDITOR'S REPORT (contd.)

Basis of Qualified Opinion

- 8.1 Provision for accrued liability of gratuity of existing employees amounting to ₹ 9,05,22,519 (Previous Year ₹ 8,75,04,378) 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 28(ii)].
- 8.2 Non provision of liability of penal/additional interest and liquidated damages on overdue instalments of secured loan from a financial institution, amount unascertainable [Refer Note 4(f)].
- 8.3 Non provision of interest on loan from WBIDC amounting to ₹ 2,24,36,319 (Previous Year ₹ 2,14,08,534) [Refer Note 4(f)].

Accordingly without considering the observations made in paragraph 8.2 above where the effect is not ascertainable, had the observations made by us in paragraphs 8.1 to 8.3 been considered, the profit for the year would have been lower by ₹ 11,29,58,838 with corresponding effect on the shareholders fund and the current assets.

Qualified Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure 'A', as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. except for the effect of the matters described in the 'Basis of Qualified Opinion' paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of 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, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

THE NAIHATI JUTE MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (contd.)

- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 20th June, 2017 per Annexure 'B' expressed;
- 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 materially impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts at year end for which there were any material foreseeable losses;
 - iii. there was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the Company, as detailed in Note 24 to the financial statements, has made requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

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

S. K. CHHAWCHHARIA
Partner
Membership No. 008482

Kolkata
20th June, 2017

THE NAIHATI JUTE MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (contd.)

Annexure 'A' to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report of even date to the members of The Naihati Jute Mills Company Limited, on the financial statements for the year ended 31st March, 2017

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As planned, a part of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the planned frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties (which are included under the head Fixed Assets) are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification. The procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete. As informed, the cost audit for the year is under progress.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value

added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues outstanding in respect of income-tax, sales-tax, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Tax, Interest	2,441,907	2010 - 2011	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Value Added Tax Act, 2003	Tax, Interest	1,993,513 *	2011 - 2012	West Bengal Taxation Tribunal
West Bengal Value Added Tax Act, 2003	Tax	456,587 **	2012 - 2013	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax, Interest	4,318,906	2008 - 2009	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax, Interest	7,101,895 ***	2009 - 2010	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax	7,158,681	2010 - 2011	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax	7,623,410 ****	2011 - 2012	The High Court at Calcutta
Central Sales Tax Act, 1956	Tax	3,699,730 *****	2012 - 2013	West Bengal Commercial Taxes Appellate and Revisional Board
Central Excise Act, 1944	Cess	456,996 #	August 2009 - December 2013	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Cess	124,215 ##	January 2014 - October 2014	Commissioner of Central Excise (Appeals)
Central Excise Act, 1944	Cess	130,372 ###	November 2014 - August 2015	Commissioner of Central Excise (Appeals)
TOTAL		35,506,212		

* A sum of ₹ 100,000 has been paid. ** A sum of ₹ 68,488 has been paid.
 *** A sum of ₹ 131,536 has been paid. **** A sum of ₹ 100,000 has been paid.
 ***** A sum of ₹ 570,650 has been paid. # A sum of ₹ 34,275 has been paid.
 ## A sum of ₹ 9,317 has been paid. ### A sum of ₹ 9,778 has been paid.

- (viii) According to the information and explanations given to us, as regards the dues of Government of West Bengal (through WBIDC), the Company has defaulted in repayment of all the quarterly instalments from June 2001 to March 2007 of principal amount and interest till March 2000 amounting to ₹ 27,414,054. Similarly, the unprovided further interest (net of rebate) up to March 2017 amounting to ₹ 22,436,319 and unascertainable amount of additional interest, penal interest and liquidated damages also remain unpaid. Company's proposal for settlement of the dues and/or waiver of interest etc. thereon is pending consideration.

INDEPENDENT AUDITOR'S REPORT (contd.)

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. According to the information and explanations given to us, further disbursement of term loan received during the year were applied for the purpose they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

S. K. CHHAWCHHARIA
 Partner
 Membership No. 008482

Kolkata
 20th June, 2017

INDEPENDENT AUDITOR'S REPORT (contd.)

Annexure 'B' to the Independent Auditors' Report

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

1. In conjunction with our audit of the financial statements of The Naihati Jute Mills Company Limited ("the Company") as of and for the year ended 31st March, 2017, we have audited the Internal Financial Controls over Financial Reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of

INDEPENDENT AUDITOR'S REPORT (contd.)

the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

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

S. K. CHHAWCHHARIA
Partner
Membership No. 008482

Kolkata
20th June, 2017

THE NAIHATI JUTE MILLS COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹)

Particulars	Note	As at 31-03-2017		As at 31-03-2016	
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	2	22,448,900		22,448,900	
(b) Reserves and Surplus	3	<u>689,567,615</u>	<u>712,016,515</u>	<u>653,407,599</u>	675,856,499
Non-current Liabilities					
(a) Long-term Borrowings	4	4,973,480		5,314,293	
(b) Deferred Tax Liabilities (net)	5	5,061,947		7,232,279	
(c) Long-term Provisions	6	<u>10,922,089</u>	<u>20,957,516</u>	<u>7,903,776</u>	20,450,348
Current Liabilities					
(a) Short-term Borrowings	7	122,151,004		26,216,209	
(b) Trade Payables	8				
- Micro and Small Enterprises		-		-	
- Others		115,084,607		270,538,980	
(c) Other Current Liabilities	9	172,290,759		178,357,562	
(d) Short-term Provisions	6	<u>37,613,661</u>	<u>447,140,031</u>	<u>33,898,017</u>	509,010,768
Total Equity and Liabilities			<u>1,180,114,062</u>		<u>1,205,317,615</u>
ASSETS					
Non-current Assets					
(a) Fixed Assets					
- Property, Plant and Equipment	10	701,247,635		680,515,851	
- Intangible Assets	10	67,201		67,201	
- Capital Work-in-Progress		<u>769,017</u>		-	
		<u>702,083,853</u>		<u>680,583,052</u>	
(b) Non-current Investments	11	11,600		11,600	
(c) Long-term Loans and Advances	12	<u>3,990,821</u>	<u>706,086,274</u>	<u>4,995,795</u>	685,590,447
Current Assets					
(a) Inventories	13	373,597,882		374,659,670	
(b) Trade Receivables	14	75,610,719		120,180,556	
(c) Cash and Cash Equivalents	15	1,768,079		3,349,146	
(d) Short-term Loans and Advances	12	21,809,962		20,575,262	
(e) Other Current Assets	16	<u>1,241,146</u>	<u>474,027,788</u>	<u>962,535</u>	519,727,168
Total Assets			<u>1,180,114,062</u>		<u>1,205,317,615</u>

Notes to Financial Statements 1 to 36

As per our Report of even date

For B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No. 305123E
S. K. CHHAWCHHARIA
Partner
Membership No. 008482

CA KISHOR KUMAR SONTHALIA
Chief Financial Officer
CS GOPAL PRASAD CHOUDHARY
Company Secretary

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

Place : Kolkata
Date : 20th June, 2017

THE NAIHATI JUTE MILLS COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹)

Particulars	Note	2016-17	2015-16
I. Revenue from Operations	17	2,335,047,136	2,059,330,856
II. Other Income	18	6,258,350	1,997,062
III. Total Revenue (I + II)		<u>2,341,305,486</u>	<u>2,061,327,918</u>
IV. Expenses			
(a) Cost of Materials Consumed	19	1,437,328,549	1,302,923,679
(b) Change in Inventories of Finished Goods and Work-in-Progress	20	(45,652,496)	(56,762,779)
(c) Employee Benefits Expense	21	596,423,281	515,223,178
(d) Finance Costs	22	10,646,543	9,933,121
(e) Depreciation and Amortization Expense		20,041,511	18,670,348
(f) Other Expenses	23	<u>265,866,357</u>	<u>229,086,363</u>
Total Expenses		<u>2,284,653,745</u>	<u>2,019,073,910</u>
V Profit before Tax (III - IV)		56,651,741	42,254,008
VI Tax Expenses			
(a) Current Tax		17,600,000	8,620,000
(b) Mat Credit Entitlement for earlier year		5,062,057	(6,122,240)
(c) Deferred Tax		<u>(2,170,332)</u>	<u>12,524,943</u>
VII Profit for the Year (V-VI)		<u>36,160,016</u>	<u>27,231,305</u>
VIII Earning per Ordinary Share (Face value of ₹ 100)	31		
(a) Basic		168.59	126.96
(b) Diluted		168.59	126.96

Notes to Financial Statements

1 to 36

As per our Report of even date

For B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No. 305123E
S. K. CHHAWCHHARIA
Partner
Membership No. 008482

CA KISHOR KUMAR SONTHALIA
Chief Financial Officer
CS GOPAL PRASAD CHOUDHARY
Company Secretary

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

Place : Kolkata
Date : 20th June, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	2016-17	2015-16
(₹)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	56,651,741	42,254,008
Adjustment for non cash and non operating items		
- Depreciation	20,041,511	18,670,348
- Interest Income	(70,971)	(8,420)
- Finance Cost	10,646,543	9,933,121
- Bad Debt/Sundry Balances written off	30	(432)
- Stores and Spare parts written off	-	859,363
- Liability no longer required written back	(53,584)	(158,253)
- Profit on Sale of Other Investments	(105,086)	(72,477)
- Unrealized foreign exchange difference gain/loss	1,066	2,870
- Profit on Sale of Fixed Assets	(3,137,932)	(90,647)
Operating Profit before Working Capital changes	<u>83,973,317</u>	<u>71,389,481</u>
Changes in Working Capital		
- Trade and Other Receivables	38,423,792	(56,128,790)
- Inventories	1,061,788	(102,175,284)
- Trade Payables and Advance from Customers	(157,296,780)	185,770,696
Cash generated from Operations	<u>(33,837,883)</u>	<u>98,856,103</u>
- Income Tax paid (net of refund)	(17,569,661)	(6,495,532)
Net Cash flow from Operating Activities (A)	<u>(51,407,544)</u>	<u>92,360,571</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(45,720,666)	(19,171,545)
- Capital Subsidy Received	2,830,400	-
- Sale of Fixed Assets	3,138,000	613,096
- Profit on Sale of Other Investments	105,086	72,477
- Interest Received	70,971	8,420
Net Cash used in Investing Activities (B)	<u>(39,576,209)</u>	<u>(18,477,552)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Long-term and other Borrowings	100,051,569	(63,057,257)
- Interest Paid	(10,647,817)	(9,917,906)
Net Cash from Financing Activities (C)	<u>89,403,752</u>	<u>(72,975,163)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	<u>(1,580,001)</u>	<u>907,856</u>
Cash and Cash Equivalents at the beginning of the year	3,349,146	2,444,160
Cash and Cash Equivalents at the end of the year	<u>1,769,145</u>	<u>3,352,016</u>

Notes :

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

Cash and Cash Equivalents as per Cash Flow Statement	1,769,145	3,352,016
Effect of foreign exchange difference	1,066	2,870
Cash and Cash Equivalents as per Balance Sheet	<u>1,768,079</u>	<u>3,349,146</u>

For B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No. 305123E
S. K. CHHAWCHHARIA
Partner
Membership No. 008482

CA KISHOR KUMAR SONTHALIA
Chief Financial Officer
CS GOPAL PRASAD CHOUDHARY
Company Secretary

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

Place : Kolkata
Date : 20th June, 2017

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

(ii) USE OF ESTIMATES

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

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

Property, Plant and Equipment

(a) Recognition

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

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

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

(b) Depreciation

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(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.

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

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

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

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

(x) **REVENUE RECOGNITION**

Sale of Goods

Sales are net of cess, sales tax and claims.

Sales on consignment basis is accounted on the value as per proforma invoice raised and the net effect on realisation after deducting expenses, commission, brokerage, service charges etc. incurred thereon is given on receipt of the 'Account Sales' from respective agents.

Other Income

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

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(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.

(xiv) **BORROWING COSTS**

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

(xv) **TAXATION**

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

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

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(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.

(xviii) 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.

2 SHARE CAPITAL

Capital Structure

Authorized

	As at 31-03-2017	As at 31-03-2016
479,989 (P.Y. 479,989) Ordinary Shares of ₹ 100 each	47,998,900	47,998,900
70,000 (P.Y. 70,000) Preference Shares of ₹ 100 each	7,000,000	7,000,000
	54,998,900	54,998,900

Issued, Subscribed and Fully Paid up

214,489 (P.Y. 214,489) Ordinary Shares of ₹ 100 each	21,448,900	21,448,900
10,000 (P.Y. 10,000) 15% Non-cumulative Redeemable Preference Shares of ₹ 100 each fully paid up	1,000,000	1,000,000
	22,448,900	22,448,900

Share Capital Reconciliation

	As at 31-03-2017		As at 31-03-2016	
	No.	₹	No.	₹
Ordinary Shares				
At the beginning of the year	214,489	21,448,900	214,489	21,448,900
Issued during the year	-	-	-	-
Outstanding at the end of the year	214,489	21,448,900	214,489	21,448,900
Preference Shares				
At the beginning of the year	10,000	1,000,000	10,000	1,000,000
Issued during the year	-	-	-	-
Redeemed during the year	-	-	-	-
Outstanding at the end of the year	10,000	1,000,000	10,000	1,000,000

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

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

	As at 31-03-2017		As at 31-03-2016	
	No.	% of holding in the Class	No.	% of holding in the Class
Ordinary Shares of ₹ 100 each fully paid up				
Jugal Kishore Bhagat	12,825	5.98	12,825	5.98
Ravi Bhagat	20,110	9.37	20,110	9.37
Ashutosh Bhagat	21,324	9.94	146,824	68.45
Rita Bhagat	39,958	18.63	-	-
Vinita Bhagat	47,567	22.17	-	-
Archita Bhagat	48,353	22.54	-	-
Preference Shares of ₹ 100 each fully paid up				
Ginni Farms Private Limited	5,000	50.00	5,000	50.00
Nion Vyapaar Private Limited	5,000	50.00	5,000	50.00

Rights, Preferences and Restrictions attached to Shares

Ordinary Shares

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

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

Preference Shares

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

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

Terms of redemption of Preference Shares of ₹ 100 each

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

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

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

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

	As at 31-03-2017	As at 31-03-2016
3 RESERVES AND SURPLUS		
Capital Reserve		
Others (details not available)	566,509	566,509
Securities Premium Reserve	4,000,000	4,000,000
Revaluation Reserve	579,173,361	579,173,361
General Reserve	4,250,000	4,250,000
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	65,417,729	38,186,424
Add: Profit for the year	36,160,016	27,231,305
Balance at the end of the year	101,577,745	65,417,729
	689,567,615	653,407,599

(₹)

The Board of Directors of the Company has proposed a dividend on Ordinary and Preference Shares for ₹ 3,367,335 for the year ended 31st March, 2017, subject to approval of Shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in cash outflow of ₹ 4,052,845 inclusive of Corporate Dividend Tax of ₹ 685,510.

	Non-current portion		Current maturities	
	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
4 LONG-TERM BORROWINGS				
Secured Loans				
From Banks				
Rupee Term Loan	3,984,157	3,000,000	8,666,660	4,324,792
Rupee Vehicle Loan	989,323	2,314,293	1,324,971	1,209,252
From Government of West Bengal				
Loan for payment of sales tax and raw jute tax dues :				
Loan (through WBIDC)	-	-	17,129,750	17,129,750
	4,973,480	5,314,293	27,121,381	22,663,794
Amount disclosed under the head 'Other Current Liabilities' (Refer Note 10)	-	-	27,121,381	22,663,794
	4,973,480	5,314,293	-	-

Security

Rupee Term Loan of ₹ 12,650,817 is secured by hypothecation of specific plant and machinery and collaterally secured by first charge over the entire fixed assets of the Company and guaranteed by Messrs Bansidhar Ghanshyamdass.

Rupee Vehicle Loans of ₹ 2,314,294 from Banks is secured by hypothecation of specific vehicles being financed by them.

Loan of ₹ 27,414,054 including interest upto March 2000 (Refer Note 10) 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.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

Repayment Terms Particulars	No. of Instalments	Amount of Instalment	Maturity date	Interest
a) Rupee Term Loan of ₹ 3,000,000 from Punjab National Bank	6 Quarterly	₹ 500,000	30-09-2018	1 year MCLR+3.50%
b) Rupee Term Loan of ₹ 9,650,817 from Punjab National Bank	18 Monthly	₹ 555,555	30-09-2018	5 year MCLR+3.50%
c) Rupee Vehicle Loan of ₹ 1,302,168 from ICICI Bank Limited	24 Monthly	Ballooning (EMI- ₹ 60,149)	10-03-2019	9.59%
d) Rupee Vehicle Loan of ₹ 645,700 from Kotak Mahindra Prime Limited	16 Monthly	Ballooning (EMI- ₹ 43,200)	05-07-2018	9.43%
e) Rupee Vehicle Loan of ₹ 366,426 from HDFC Bank Limited	19 Monthly	Ballooning (EMI- ₹ 20,882)	05-10-2018	9.70%
f) Loan from Government of West Bengal (through WBIDC) - (i) Loan with interest upto March 2000 amounting to ₹ 27,414,054 was repayable in 24 quarterly instalments commencing from June 2001, (ii) Further interest (net of rebate) from April 2000 to March 2017 amounting to ₹ 22,436,319 (including ₹ 1,027,785 for current year) remains unprovided, and (iii) Penal interest, additional interest and liquidated damages (amount unascertainable) also remain 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.				

(₹)

5 DEFERRED TAX

The Principal components of Deferred Tax Liabilities and Assets are as follows:

Deferred Tax Liabilities

Difference between book value of depreciable assets as per Books of Account and written down value for tax purposes	11,806,475	9,718,235
Tax impact of expenses claimed under tax laws but charge to the Statement of Profit and Loss deferred	816,805	691,894
	12,623,280	10,410,129

Deferred Tax Assets

Tax impact of expenses charged to the Statement of Profit and Loss but allowance under tax laws deferred	7,561,333	3,177,850
	7,561,333	3,177,850

Net Deferred Tax Liabilities/(Assets)

	5,061,947	7,232,279
--	-----------	-----------

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

	Long-term		Short-term	
	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017	As at 31-03-2016
6 PROVISIONS				
Provision for Employee Benefits				
For Bonus	-	-	35,206,073	32,219,789
For Leave Benefits	10,922,089	7,903,776	2,407,588	1,582,610
	<u>10,922,089</u>	<u>7,903,776</u>	<u>37,613,661</u>	<u>33,802,399</u>
Other Provisions				
For Wealth Tax	-	-	-	95,618
	<u>10,922,089</u>	<u>7,903,776</u>	<u>37,613,661</u>	<u>33,898,017</u>
7 SHORT TERM BORROWINGS				
From Banks (Secured) :				
Working Capital Loans			80,951,004	17,816,209
Packing Credit			41,200,000	8,400,000
			<u>122,151,004</u>	<u>26,216,209</u>
Working Capital Loans and Packing Credit from Banks are secured by hypothecation of stock of raw jute, jute goods, stores and spares, goods-in-transit, book-debt and collaterally secured by second charge on fixed assets by way of equitable mortgage and guaranteed by Messrs Bansidhar Ghanshyamdass.				
8 TRADE PAYABLES				
For Goods and Services received in the ordinary course of business				
- Micro and Small Enterprises			-	-
- Others			115,084,607	270,538,980
			<u>115,084,607</u>	<u>270,538,980</u>
9 OTHER CURRENT LIABILITIES				
Current maturities of Long-term debts (Refer Note 4)			27,121,381	22,663,794
Interest accrued and due on Borrowings (WBIDC)			10,284,304	10,284,304
Interest accrued but not due on Borrowings			13,941	15,215
Advance from Customers			2,154,524	6,387,007
Creditors for Capital Goods			1,151,832	3,045,000
Statutory Dues			12,489,622	13,438,580
Other Payables (includes provision for outstanding liabilities and expenses, unclaimed employee benefits and other expenses payable)			119,075,155	122,523,662
			<u>172,290,759</u>	<u>178,357,562</u>

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

0 FIXED ASSETS

ARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01-04-2016	Additions	Deductions and/or Adjustments	Total as at 31-03-2017	Up to 31-03-2016	During the year	Deductions and/or Adjustments	Up to 31-03-2017	As at 31-03-2017	As at 31-03-2016
Buildings	569,367,000	-	-	569,367,000	-	834,752	-	32,903,671	569,367,000	569,367,000
Plant and Machinery	41,465,488	-	-	41,465,488	32,068,919	14,946,310	798,964	175,101,627	8,561,817	9,396,569
Diesel Generating Sets	249,922,444	40,642,879	3,629,432	286,935,891	160,954,281	178,220	-	11,941,982	111,834,265	88,968,163
Engines and Boilers	13,070,013	-	-	13,070,013	11,763,762	-	-	4,821,625	1,128,031	1,306,251
Formlaker Installation	5,051,966	-	-	5,051,966	4,821,625	-	-	917,042	230,341	230,341
Electrical Installation	917,456	-	-	917,456	17,181,319	1,636,853	-	18,818,172	414	414
Railway Siding	22,870,323	-	-	22,870,323	275,276	-	-	275,276	4,052,151	5,689,004
Hubbell Installation	275,298	-	-	275,298	1,870,169	-	-	1,870,169	22	22
Electricity	1,968,600	-	-	1,968,600	1,019,669	-	-	1,019,603	98,431	98,431
Furniture and Fittings	1,019,669	-	-	1,019,669	2,818,524	124,583	-	2,943,107	66	66
Vehicles	3,198,788	153,430	-	3,352,218	5,534,305	1,699,707	-	7,234,012	409,111	380,264
Office Machinery, equipments, refrigerators	8,686,776	2,327,445	-	11,014,221	10,674,222	446,293	-	11,120,515	3,780,209	3,152,471
Leighing Machines	11,653,689	480,008	-	12,133,697	174,793	798,964	-	1,013,182	1,013,182	979,467
TOTAL	2,132,064	43,603,762	3,629,432	971,573,904	251,083,723	20,041,511	798,964	270,326,270	772,595	680,515,851
Tangible Assets	931,599,574	43,603,762	3,629,432	971,573,904	251,083,723	20,041,511	798,964	270,326,270	772,595	680,515,851
Computer Software	1,344,000	-	-	1,344,000	1,276,799	-	-	1,276,799	67,201	67,201
TOTAL	932,943,574	43,603,762	3,629,432	972,917,904	252,360,522	20,041,511	798,964	271,603,069	701,314,836	680,583,052
Previous Year Figures	917,461,624	19,171,545	3,689,595	932,943,574	236,857,320	18,670,348	3,167,146	252,360,522	680,583,052	680,583,052

During the year, Capital Subsidy for Plant and Machinery of ₹ 2,830,400 (Previous Year ₹ Nil) received from National Jute Board has been reduced from the cost of respective asset. Plant and Machinery includes ₹ 90,754 (Previous Year ₹ Nil) as Borrowing Cost.

Revaluation of Land has been made on 31-03-2014 and ₹ 561,480,000 was added which is included in Revaluation Reserve.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

		(₹)	
		As at 31-03-2017	As at 31-03-2016
11 NON-CURRENT INVESTMENTS			
Other Investments (valued at cost) - Unquoted			
Investment in Government Securities			
12 Years National Plan Saving Certificates		600	600
12 Years National Plan Defence Certificates		1,000	1,000
Investment in Debentures			
5% Non-redeemable Debenture Stock, 1957 of Woodland Hospital & Medical Research Centre Limited		10,000	10,000
		<u>11,600</u>	<u>11,600</u>
	Long-term		Short-term
	As at 31-03-2017	As at 31-03-2016	As at 31-03-2017
			As at 31-03-2016
12 LOANS AND ADVANCES			
Unsecured, Considered good			
Capital Advances	2,616,180	3,161,462	-
Security Deposit	860,493	860,493	-
<u>Others</u>			
Advances recoverable in cash or in kind or for value to be received	64,209	158,290	9,609,117
Prepaid Expenses	449,939	815,550	3,957,547
Advance tax and TDS (net of provision)	-	-	1,279,094
Balance with Statutory/Government Authorities	-	-	2,085,023
Mat Credit Entitlement	-	-	8,836,728
	<u>3,990,821</u>	<u>4,995,795</u>	<u>21,809,962</u>
			7,986,253
			6,584,467
			<u>20,575,262</u>
13 INVENTORIES			
(as taken, valued and certified by the management)			
Raw Material		120,197,336	167,099,388
Work-in-Progress		85,930,833	82,119,159
Finished Goods		154,230,588	112,389,766
Stores and Spare Parts		13,239,125	13,051,357
		<u>373,597,882</u>	<u>374,659,670</u>
Details of Raw Material			
Raw Jute		117,995,904	165,039,233
Batching Oil		1,076,928	993,756
Dyes and Chemicals		974,097	916,133
Caddies, Thread Waste etc.		150,407	150,266
		<u>120,197,336</u>	<u>167,099,388</u>

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

		(₹)	
		As at 31-03-2017	As at 31-03-2016
14 TRADE RECEIVABLES			
Unsecured, Considered good			
Outstanding for a period exceeding six months from the date they are due for payment		6,471,476	8,065,962
Other Receivables		69,139,243	112,114,594
		<u>75,610,719</u>	<u>120,180,556</u>
15 CASH AND CASH EQUIVALENTS			
Balances with Banks in Current Account		934,832	452,815
Cash on hand		833,248	2,896,331
		<u>1,768,079</u>	<u>3,349,146</u>
16 OTHER CURRENT ASSETS			
Interest Receivable		580,607	389,348
Duty Draw Back Receivable		660,539	573,187
		<u>1,241,146</u>	<u>962,535</u>
		2016-17	2015-16
17 REVENUE FROM OPERATIONS			
Sale of Products			
Finished Goods		2,327,180,482	2,053,734,858
Other Operating Revenue			
By-products		575,587	118,500
Export Incentives		3,087,018	1,649,825
Profit on Sale of MEIS Licenses		4,204,049	3,827,673
		<u>7,866,654</u>	<u>5,595,998</u>
		<u>2,335,047,136</u>	<u>2,059,330,856</u>
18 OTHER INCOME			
Interest on Deposits		70,971	8,420
Foreign Exchange Fluctuations		1,556,124	928,858
Liability no longer required		53,584	158,253
Profit on Sale of Current Investments		105,086	72,477
Profit on Sale of Fixed Assets		3,137,932	90,647
Other Non-operating Income		1,334,653	738,407
		<u>6,258,350</u>	<u>1,997,062</u>

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

	(₹)	
	2016-17	2015-16
19 COST OF MATERIALS CONSUMED		
*Inventory at the beginning of the year	167,099,388	121,289,668
Add: Purchases less returns	1,390,426,497	1,348,733,399
Less: *Inventory at the end of the year	120,197,336	167,099,388
	<u>1,437,328,549</u>	<u>1,302,923,679</u>
*Includes Stock of Caddies, Thread Waste etc.		
20 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventory at the beginning of the year		
Finished Goods	112,389,766	84,503,487
Work-in-Progress	82,119,159	53,242,659
	<u>194,508,925</u>	<u>137,746,146</u>
Inventory at the end of the year		
Finished Goods	154,230,588	112,389,766
Work-in-Progress	85,930,833	82,119,159
	<u>240,161,421</u>	<u>194,508,925</u>
	<u>(45,652,496)</u>	<u>(56,762,779)</u>
21 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	508,117,392	447,707,829
Contribution to Provident and Other Funds	84,661,672	64,841,496
Staff Welfare Expenses	3,644,217	2,673,853
	<u>596,423,281</u>	<u>515,223,178</u>
22 FINANCE COST		
Interest Expenses	8,817,885	8,515,096
Other Borrowing Costs	1,828,658	1,418,025
	<u>10,646,543</u>	<u>9,933,121</u>

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

	(₹)	
	2016-17	2015-16
23 OTHER EXPENSES		
Consumption of Stores and Spare Parts	67,844,662	60,031,383
Stores and Spare Parts written off	-	859,363
Bleaching, Processing and Printing Expenses	26,556,987	19,168,644
Power and Fuel	119,695,952	100,647,448
Rent	515,400	515,400
Repairs and Maintenance		
Plant and Machinery	6,344,907	6,860,879
Building	1,544,485	1,806,786
Others	4,957,178	4,099,081
Insurance	1,715,240	1,703,944
Rates and Taxes	3,618,354	6,605,709
Freight and Delivery Charges	7,610,026	5,398,327
Brokerage on Sales	5,970,703	5,335,475
Payment to Auditors		
For Statutory Audit	632,500	629,750
For Internal Audit	117,300	116,790
For Tax Audit	97,750	85,500
For Cost Audit	28,750	28,500
For Issuing Certificates and Others	72,138	74,630
Directors' Fee	117,000	135,000
Professional and Consultancy Charges	4,174,052	2,879,220
Travelling Expenses	4,659,684	3,540,620
Miscellaneous Expenses	9,593,289	8,563,913
	<u>265,866,357</u>	<u>229,086,363</u>
24 Disclosure on Specified Bank Notes (SBNs)*:		

During the year, the Company had specified bank notes or other denomination note as defined in the "MCA notification G.S.R. 308(E) dated 30th March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016", the denominationwise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	3,921,500	2,836,336	6,757,836
(+) Permitted Receipts	-	3,460,740	3,460,740
(-) Permitted Payments	-	3,594,359	3,594,359
(-) Amount deposited in Banks	3,921,500	2,000,000	5,921,500
Closing Cash in hand as on 30.12.2016	-	702,717	702,717

*For the purposes of this clause, the term 'Specified Bank Notes' (SBNs) shall have the same meaning as provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated 8th November, 2016.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

25 Contingent Liabilities not provided for in respect of :

- (a) Disputed demands of ₹ 29,902,622 (Previous Year ₹ 29,902,622) and ₹ 4,892,007 (Previous Year ₹ 4,892,007) relating to Central Sales Tax for years from 2008-09 to 2012-13 and West Bengal Value Added Tax for years from 2010-11 to 2012-13 respectively, including interest [against which amount deposited is ₹ 970,674 (Previous Year ₹ 739,138)], against which Company's revision applications are pending.
- (b) Disputed demands for periods from August, 2009 to August, 2015 of ₹ 711,583 (Previous Year ₹ 581,211) relating to cess under Central Excise Act, [against which amount deposited is ₹ 53,370 (Previous Year ₹ 43,592)], against which Company's appeals are pending.
- (c) Additional demand of Employees State Insurance for the years July'73 – Nov'75, 27-01-85 to June'86, 1990-91, 1992-93, 1993-94 and 1997-98 to 1999-2000 amounting to ₹ 2,329,000 [against which amount deposited is ₹ 317,496] (same in previous year) against which Company's appeals are pending.
- (d) Bills discounted with banks remaining outstanding at the year-end (since realised) amounting to ₹ 12,978,111 (Previous Year ₹ 8,180,816).
- (e) Additional tax demand of ₹ 1,836,604 (Previous Year ₹ 1,836,604) relating to land revenue against which the Company's writ petition is pending before High Court.

26 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) – ₹ 12,549,775 (₹ 2,499,185).

- 27 (i) The accrued and due liability of gratuity of employees retired/resigned during the year amounting to ₹ 3,191,176 (₹ 3,580,978) net of payment of ₹ 8,066,734 (₹ 4,631,046) made from Gratuity Fund Account, has been provided for.
- (ii) Effective 1st April, 2007, employee benefit obligations have been measured/valued following the Accounting Standard 15 (revised 2005) on 'Employee Benefits' (AS) issued by The Institute of Chartered Accountants of India.

The accrued unprovided liability of existing employees as on 31st March, 2017 for future payments under the Payment of Gratuity Act, 1972 determined as per actuarial valuation amounts to ₹ 90,522,519 (₹ 87,504,378).

Defined Contribution Plan

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

	(₹)
Employer's Contribution to Provident and Pension Fund	37,974,239 (32,282,777)
Employer's Contribution to ESIC Scheme	18,629,989 (15,508,646)

Defined Benefit Plan

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

	(₹)
(A)	Gratuity (Partially funded)
	Current Year Previous Year
a) Reconciliation of opening and closing balances of Defined Benefit Obligation	
Defined Benefit Obligation at the beginning of the year	174,924,344 161,566,025
Current Service Cost	18,153,951 15,020,152
Interest Cost	14,173,917 13,496,490
Actuarial (gain)/loss	8,397,639 (4,656,698)
Benefits (paid)	(12,603,076) (10,501,625)
Defined Benefit Obligation at the year end	203,046,775 174,924,344
b) Reconciliation of opening and closing balances of fair value of Plan Assets	
Fair value of Plan Assets at the beginning of the year	87,419,966 70,909,988
Expected return on Plan Assets	7,497,908 6,333,198
Employer's contribution	31,248,655 20,631,051
Actuarial gain/(loss) on Plan Assets	(1,039,197) 47,354
Benefits paid	(12,603,076) (10,501,625)
Fair value of Plan Assets at the year end	112,524,256 87,419,966
c) Reconciliation of fair value of Assets and Obligations	
Fair value of Plan Assets	112,524,256 87,419,966
Present value of Obligation	203,046,775 174,924,344
Amount recognised in Balance Sheet (gratuity to the extent of ₹ 90,522,519 remains unprovided)	112,524,256 87,419,966
d) Expenses recognized during the year	
Amount provided and contributed to Group Gratuity Scheme	28,057,444 17,050,073
e) Actuarial assumptions	
Mortality Table	2006-08 2006-08
	(Indian (Indian
	Assured Lives) Assured Lives)
Discount rate (per annum) compounded	7.50% 8.00%
Rate of escalation in salary (per annum)	6.00% 5.00%

Gratuity (Funded)					
	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation at the end of the year	203,046,775	174,924,344	161,566,025	158,296,438	143,198,848
Fair value of planned assets at the end of the year	112,524,256	87,419,966	70,909,988	67,780,576	63,555,780
Surplus / (Deficit)	(90,522,519)	(87,504,378)	(90,656,037)	(90,515,862)	(79,643,068)

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.)

	(₹)	
	Current Year	Previous Year
(B) Leave Encashment (Unfunded)		
a) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	9,486,386	10,363,286
Current Service Cost	8,973,774	4,898,380
Interest Cost	855,602	796,162
Actuarial (gain)/loss	2,393,844	4,775,688
Benefits (paid)	(8,379,929)	(11,347,130)
Defined Benefit Obligation at the year end	13,329,677	9,486,386
b) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at beginning of the year	-	-
Expected return on Plan Assets	-	-
Employer's contribution	8,379,929	11,347,130
Actuarial gain/(loss) on Plan Assets	-	-
Benefits paid	(8,379,929)	(11,347,130)
Fair value of Plan Assets at year end	-	-
c) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	-	-
Present value of Obligation	13,329,677	9,486,386
Amount recognised in Balance Sheet	13,329,677	9,486,386
d) Expenses recognized during the year	3,843,291	3,282,662
e) Actuarial assumptions		
Mortality Table	2006-08 (Indian Assured Lives)	2006-08 (Indian Assured Lives)
Discount rate (per annum) compounded	7.50%	8.00%
Rate of escalation in salary (per annum)	6.00%	6.00%

The above information is certified by the Actuary.

- 28 (a) On the basis of available information the total outstanding dues to Small Scale Industrial Undertakings (SSI) at the close of the year amounts to ₹ 956,154 (₹2,122,334). Name of SSIs to whom the Company owes any sum, which is outstanding for more than 30 days as at 31st March, 2017 are :
- (a) Allied Engineering Co. (b) Kaypee Enterprises (c) Jute Accessories Manufacturing & Trading Co. (d) Radha Industrial Corporation (e) Rajlaxmi Engineering Enterprises (f) Sujan Engineering Private Limited.
- (b) Disclosure of the amount due to the Micro, Small and Medium Enterprises (on the basis of the information and records available with the management) :

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

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

The 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 no Enterprises to whom the Company owes dues which are outstanding at the year end. This has been relied upon by the Auditors.

- 29 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'.
- 30 Related Party Disclosures in accordance with the Accounting Standard 18 issued by ICAI are given below :

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

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

- b. Transactions with related parties : (₹)

	Key managerial personnel	Enterprises over which key management personnel and/or relatives are able to exercise significant influence
i) Remuneration paid	13,182,830 (11,988,168)	-
ii) Guarantees given on behalf of the Company	-	For facilities from Punjab National Bank

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

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

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

31 Earning Per Share (EPS)

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

Particulars	2016-17	2015-16
Net profit after tax available for Ordinary Shareholders (₹)	36,160,018	27,231,305
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) (₹)	168.59	126.96

- 32 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, 2017.

33 Imported and Indigenous Raw Materials and Stores and Spares Parts Consumed (₹)

	Raw Material Consumed		Stores and Spare Parts Consumed	
	Value (₹)	%	Value (₹)	%
Imported	161,429,826 (29,065,807)	11.23 (2.23)	— (—)	— (—)
Indigenous	1,275,898,723 (1,273,857,872)	88.77 (97.77)	67,844,662 (60,064,169)	100.00 (100.00)

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

34	C.I.F. Value of Imports	(₹)
	Raw Jute	168,008,519 (19,478,658)
35	F.O.B. Value of Exports	112,934,728 (69,964,332)
36	Expenditure in Foreign Currency	
	Travelling Expenses	2,422,463 (1,977,299)

As per our Report of even date

For B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No. 305123E
S. K. CHHAWCHHARIA

Place : Kolkata
Date : 20th June, 2017

Partner
Membership No. 008482

CA KISHOR KUMAR SONTHALIA
Chief Financial Officer

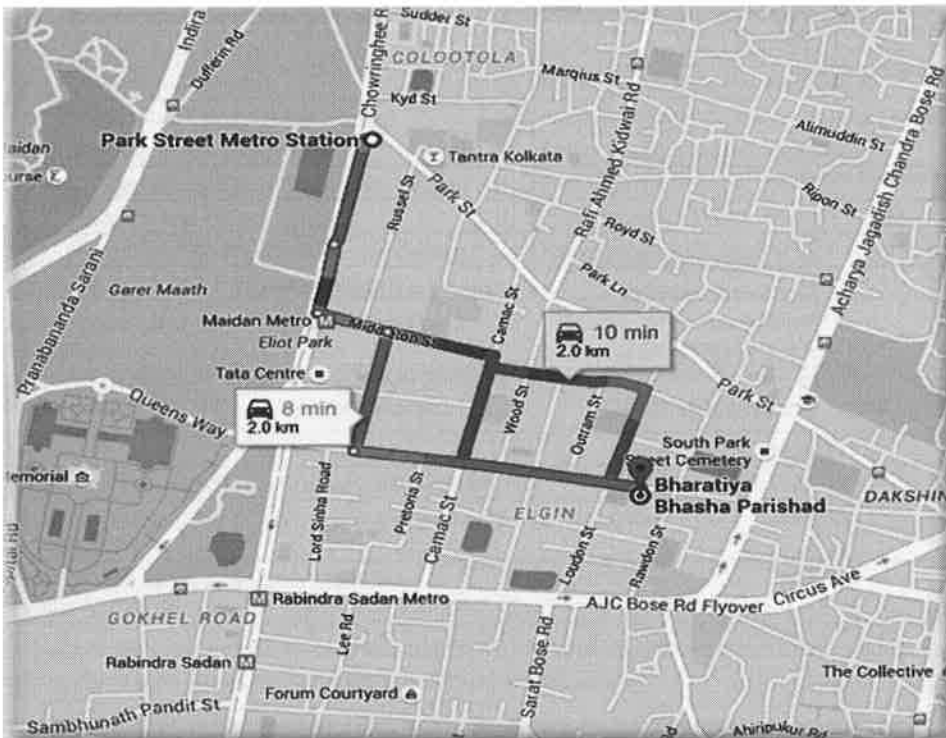
CS GOPAL PRASAD CHOUDHARY
Company Secretary

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN : 00055972

ROUTE MAP

To the venue of 112th Annual General Meeting at Conference Room, 4th Floor
Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017



"The prominent landmark near the venue is Rani Birla College."

THE NAIHATI JUTE MILLS COMPANY LIMITED
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 112th Annual General Meeting of the Company being held on Friday, 1st September, 2017 at 03.00 P.M. at Conference Room, 4th Floor, Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata - 700 017.

Signature of Member / Proxy /
Authorised Representative

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

Cut Here

THE NAIHATI JUTE MILLS COMPANY LIMITED
CIN : U17119WB1905PLC001612
Registered Office : 7, Hare Street, 4th Floor, Kolkata - 700001

PROXY FORM

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

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

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

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

as my/our proxy to attend and vote for me/us and on my/our behalf at the 112th Annual General Meeting of the Company to be held on Friday, 1st day of September, 2017 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 Statements for the year ended 31st March, 2017
2.	Declaration of Dividend on Preference and Ordinary Shares
3.	Re-appointment of Smt. Nisha Agarwal as a Director, who retires by rotation
4.	Appointment of Messrs B. Chhawchharia & Co., Chartered Accountants, as Auditors and fixing their remuneration
5.	Ordinary resolution for ratification of remuneration to be paid to Messrs D. Radhakrishnan & Co., Cost Accountants as Cost Auditors for financial year ended 31st March, 2018

Signed this day of2017

Signature of Shareholder

Affix
Revenue
Stamp