

ANNUAL REPORT
2015 - 2016

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

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
KISHOR KUMAR SONTHALIA

COMPANY SECRETARY
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

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THE NAIHATI JUTE MILLS COMPANY LIMITED

CIN : L17119WB1905PLC001612

NOTICE

TO THE MEMBERS

NOTICE is hereby given that the 111th Annual General Meeting of The Naihati Jute Mills Company Limited, will be held at Conference Room, 4th Floor, Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017 on Saturday, the 20th day of August, 2016 at 11.30 A.M. to transact the following business :

1. To receive, consider and adopt the Financial Statements for the financial year ended 31st March, 2016 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Vikram Prakash (DIN : 00027732) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To ratify the appointment of Auditors and to authorise Board of Directors to fix their remuneration 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 Section 139 and all other applicable provisions of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force) the appointment of Messrs B. Chhawchharia & Co., Chartered Accountants (ICAI Registration No. 305123E) as Statutory Auditors of the Company to hold office from conclusion of Annual General Meeting (AGM) held in the year 2014 until the conclusion of fourth consecutive AGM at a remuneration to be mutually agreed upon with the Board of Directors, be and is hereby ratified (subject to the ratification of appointment and revision of the Auditors’ remuneration by the Members at the every AGM held after this AGM).”

Special Business

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

“RESOLVED THAT pursuant to the provisions of Sections 196,197, 198, 200 and 201 read with Schedule V thereto and all other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government and such other approvals and sanctions as may be necessary, the Company hereby accords its consent and approval to the re-appointment of Shri Jugal Kishore Bhagat as Chairman and Managing Director of the Company for a further period of three years with effect from 1st October, 2016 on the terms and conditions and remuneration (including remuneration to be paid in the event of any loss or inadequacy of profit in any financial year during the term of Office of Shri Jugal Kishore Bhagat) as set out in the agreement entered into between the Company and Shri Jugal Kishore Bhagat, a copy whereof is placed before the meeting which agreement is hereby specifically approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be approved by the Central Government and agreed to between the Board of Directors and Shri Jugal Kishore Bhagat.

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE (contd.)

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-imbusement 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, 2017 be and is hereby ratified.”

By Order of the Board

Registered Office
7, Hare Street,
(4th Floor), Kolkata - 700001
Dated 6th June, 2016

CS GOPAL PRASAD CHOUDHARY
Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote 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 Proxy Form is sent herewith. 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. 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.
4. 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.
5. Members are requested to bring their copy of Annual Report at the Meeting.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE (contd.)

- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus Being an existing Company, not applicable.

- 4) Financial performance based on given indicators (₹ in lakhs)

Year ending 31st March	Sales	Operating Profit	Profit before Tax	Profit after Tax
2012	18445	631	427	286
2013	18279	701	446	284
2014	17451	319	24	16
2015	14470	80	(421)	(302)
2016	20593	709	423	272

- 5) Foreign investments or collaborations, if any There are 8 Foreign Shareholders holding 218 Ordinary Shares of ₹ 100 each. The Company does not have any foreign collaboration.

II. Information about the appointee

- 1) Background details

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

- 2) Past Remuneration

Year	Amount in ₹
2015-16	44,83,834
2014-15	45,01,160
2013-14	37,07,572
2012-13	29,27,445
2011-12	30,14,593

- 3) Recognition or awards

—

- 4) Job profile and his suitability

Shri Bhagat devotes whole time attention to the management of the affairs of the Company and exercises powers subject to the superintendence, direction and control of the Board of Directors. He is responsible for the day-to-day management of the Company and carries out duties as entrusted to him from time to time by the Board of Directors. Though Shri Bhagat is aged above 70 years, he is active in discharging his duties as stated above.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE (contd.)

- 5) Remuneration Proposed Salary ₹ 3,50,000 per month alongwith with Commission @ 3% of the profits computed in the manner laid down under Sections 197 and 198 of the Companies Act, 2013 and other allowances and perquisites, as spelt out in the Statement hereinabove.

- 6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person The remuneration proposed is in consonance with similar position in the Industry.

- 7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any. Except salary, commission, allowances and perquisites to be received from the Company and to receive dividend declared by the Company, Shri Bhagat does not have any pecuniary relationship directly or indirectly with the Company or relationship with any managerial personnel of the Company.

III. Other information

- 1) Reasons of loss or inadequate profits There is profit in the Company at present, but as abundant caution for payment of minimum remuneration to Shri Bhagat, in case of no profit or inadequate profit in any particular year, this information is provided to the Shareholders.
- 2) Steps taken or proposed to be taken for improvement
- 3) Expected increase in productivity and profits in measurable terms 15% approximately

IV. Disclosures

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

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, 2017 at a remuneration of ₹ 25,000 plus applicable taxes and re-imbusement 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 Auditor.

By Order of the Board

Registered Office
7, Hare Street,
(4th Floor), Kolkata - 700001
Dated 6th June, 2016

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, 2016.

FINANCIAL RESULTS

(₹ in lacs)

Profit for the year before finance cost, depreciation and taxation		708.57
From which have been adjusted		
i) Finance Cost	99.33	
ii) Provision for Depreciation	186.70	
iii) Provision for Tax	24.98	
iv) Provision for Deferred Tax	125.25	436.26
leaving a surplus of		272.31
which is carried forward to Balance Sheet		

DIVIDEND

Due to marginal surplus during the year over the deficit of the previous year, the Directors have not recommended any dividend for the year.

OPERATIONS

Like previous year, the Company suffered losses during first four months of financial year. The Company had suspended the working of its Jute Mill for two months in the said period of first four months of the year. During the later period of the financial year, the Company gradually came out of the bad phase and was able to operate at reasonable capacity largely on account of regular government orders compared to previous year when the production was kept restricted due to slump in government orders. Production, Turnover, Profitability and Earning per Share show the undernoted position during the year.

	<u>Year 2015-16</u>	<u>Year 2014-15</u>
Production (M. Tönes)	25769	23158
Total Turnover (₹ in lacs)	20593.31	14470.30
Profit/(Loss) before taxation (₹ in lacs)	422.54	(420.81)
Profit/(Loss) after taxation (₹ in lacs)	272.31	(302.16)
Earning per Share of Face value of ₹ 100 (₹)	126.96	(140.87)

The steep rise in price of raw jute due to shortage of availability of raw jute, has pushed the prices of Jute Goods upward and made them uncompetitive both in domestic and international markets. Consequently, the demand of jute goods other than government orders has been severely affected, leading to loss of domestic market as also the loss of export orders.

OUTLOOK

It is widely expected that weather conditions are likely to remain favourable, yielding a significantly better jute crop than last season.

THE NAIHATI JUTE MILLS COMPANY LIMITED

DIRECTORS' REPORT (contd.)

The non-governmental domestic jute goods market continues to be flooded by cheap imports from Bangladesh and Nepal. The jute industry has filed petition for protective measures to be imposed on the cheap subsidised imports by the Directorate General of Anti Dumping. Profitability of the industry in the ensuing years will be dependent on regularity of government orders and on imposition of tariff barriers on the goods being dumped from Bangladesh and Nepal. The overseas yarn export markets continue to remain sluggish and Indian goods are continually outpriced. The management is making all out efforts to develop export markets for hessian and other diversified products.

DIRECTORS

Shri Jugal Kishore Bhagat has been re-appointed as Managing Director of the Company for a further period of three years with effect from 1st October, 2016 by the Board. Approval for re-appointment is being sought from the Members at the ensuing Annual General Meeting and from the Central Government under Sections 196, 197, 198 and 200 of the Companies Act, 2013 (the Act).

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

BOARD MEETINGS

During the year under review, four meetings of the Board of Directors were held on 30th May, 2015, 12th August, 2015, 9th November, 2015 and 11th February, 2016.

Apart from meeting 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, your 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.

THE NAIHATI JUTE MILLS COMPANY LIMITED

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 are not applicable to the Company since the Company falls below the threshold limits.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

EXTRACT OF THE ANNUAL RETURN

In terms of provisions of Section 134(3)(a) of the Act, the extract of the 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 control procedures commensurate with the size, scale and complexity of its operation, which are well supplemented by surveillance of Internal Auditors.

DELISTING OF SHARES WITH STOCK EXCHANGE

The Calcutta Stock Exchange Limited has granted voluntary delisting of the Shares of the Company with effect from 31st March, 2016.

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 subject to ratification of the appointment by the members at the every 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 ratification of appointment of Messrs B. Chhawchharia & Co., as Auditors by the members at ensuing AGM.

THE NAIHATI JUTE MILLS COMPANY LIMITED

DIRECTORS' REPORT (contd.)

The Company has provided the due gratuity liability for the workers who have retired/ceased to work from the service of the Company. However, the Company could fund the accrued liability of gratuity of the existing staff and workers only partially due to inadequate surplus.

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, 2017 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 HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment of any of the female employees (permanent, contractual, temporary, trainees). No complaint has been received during the calendar year 2015.

STAFF AND LABOUR

Industrial relations, except the period of suspension of work for two months as mentioned above, remained harmonious during the year. The management has further strengthened the relationship with the workers by way of providing scholarship to their children 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.

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
6th June, 2016

THE NAIHATI JUTE MILLS COMPANY LIMITED

ANNEXURE - A TO DIRECTORS' REPORT (contd.)

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 2015-16	
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	Two years with effect from 1st April, 2014
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Salary 1) ₹ 2,00,000 per month (in the scale of ₹ 2,00,000 - ₹ 15,000 - ₹ 2,15,000)* 2) ₹ 1,95,000 per month (in the scale of ₹ 1,95,000 - ₹ 15,000 - ₹ 2,10,000)* *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	21st May, 2013
(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
6th June, 2016

THE NAIHATI JUTE MILLS COMPANY LIMITED

ANNEXURE - B TO DIRECTORS' REPORT (contd.)

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) Conversion of higher HP motors with lower HP and energy efficient motors. 2) Proper utilisation of capacitors on respective areas. 3) Regular monitoring of steam, boiler and compressor to minimize losses. 4) Replacement of old shuttle looms with latest automated looms.
(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 :	₹ 699.64 Lacs
(ii) Foreign exchange outgo in terms of actual outflows :	₹ 214.56 Lacs

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN: 00055972

Kolkata
6th June, 2016

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

[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	L17119WB1905PLC001612
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@naihaticjute.com
6	Whether listed company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Maheshwari Datamatics Private Limited 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata - 700001 Phone : 91-33-2243 5029/5809 Fax : 91-33-2248 4787 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	152824	-	152824	71.25	195837	27	195864	91.32	28.16
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)	160619	-	160619	74.88	203632	27	203659	94.95	26.80
2. Foreign									
a) NRIs - 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)	160619	-	160619	74.88	203632	27	203659	94.95	26.80
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	306	364	670	0.31	49	452	501	0.23	25.22
c) Central Govt	-	-	-	-	-	-	-	-	-
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)	306	449	755	0.35	49	537	586	0.27	(22.38)

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	26109	15101	41210	19.21	257	5108	5365	2.50	(86.98)
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	415	4764	5179	2.42	366	4513	4879	2.28	(5.79)
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6726	-	6726	3.14	-	-	-	-	(100.00)
	c) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total(B)(2) :	33250	19865	53115	24.77	623	9621	10244	4.78	(80.71)
	Total Public Shareholding (B) = (B)(1)+ (B)(2)	33556	20314	53870	25.12	672	10158	10830	5.05	(79.90)
	C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	194175	20314	214489	100.00	204304	10185	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 share holding 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	-	146824	68.45	-	-
3	Bhagat Refinerers & Chemicals Private Limited	7795	3.64	-	7795	3.64	-	-
4	Ravi Bhagat	-	-	-	20110	9.38	-	100.00
5	Rita Bhagat	-	-	-	10105	4.71	-	100.00
6	Jugal Kishore Bhagat	-	-	-	12825	5.98	-	100.00
	Total	160619	74.88	-	203659	94.95	-	-

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

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

Sl. No.	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 Increase (+)/ Decrease (-)	% of total Shares of the Company
	At the beginning of the year	160619	74.88	31.12.2015	Purchase in Delisting Offer	43040 (+)	20.07
	At the end of the year	-	-	-	-	203659	94.95

(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 Name of the 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 Increase (+)/ Decrease (-)	% of total Shares of the Company
1	Opto Marketing Company Private Limited	10000	4.66	31.12.2015	Transfer	10000 (-)	4.66
2	Gallon Holdings Private Limited	10000	4.66	31.12.2015	Transfer	10000 (-)	4.66
3	Bhatkawa Tea Industries Limited	10000	4.66	31.12.2015	Transfer	10000 (-)	4.66
4	Arvindkumar N Nopany	6726	3.14	31.12.2015	Transfer	6726 (-)	3.14
5	Adarsh Mercantile Limited	6099	2.84	31.12.2015	Transfer	6099 (-)	2.84
6	Bharosa Vinimay Private Limited	3000	1.40	At the end of the year		3000	1.40
7	Parmatma Dealer Private Limited	2000	0.93	At the end of the year		2000	0.93
8	United Bank of India	257	0.12	31.12.2015	Transfer	257 (-)	0.12
9	Wallfort Financial Services Limited	-	-	31.12.2015	Transfer	257 (+)	0.12
				At the end of the year		257	0.12
10	Sudhir Kumar Seal	248	0.12	At the end of the year		248	0.12
11	Central Bank of India	137	0.06	At the end of the year		137	0.06
12	C. H. Heape	100	0.05	At the end of the year		100	0.05
13	Mohan Lal Bajaj	100	0.05	At the end of the year		100	0.05
14	Saifuddin Amiruddin Sarkar	100	0.05	At the end of the year		100	0.05
15	Life Insurance Corporation of India	85	0.04	At the end of the year		85	0.04
16	Matadin Goenka	80	0.04	At the end of the year		80	0.04

ANNEXURE - C TO DIRECTORS' REPORT (contd.)

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP Name of the Director/KMP	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	Jugal Kishore Bhagat	6000	2.80	At the end of the year		6000	2.80
2	Jugal Kishore Bhagat	-	-	31.12.2015	Purchase in Delisting Offer	12825 (+)	5.98
				At the end of the year		12825	5.98

(vi) 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	1172.52			1172.52
ii) Interest due but not paid	102.84			102.84
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	1275.36			1275.36
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change*	630.58			630.58
Indebtedness at the end 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

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	44,78,037		44,78,037
(b)	Value of perquisites under section 17(2) of the Income-tax Act, 1961	5,797		5,797
(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)	44,83,834		44,83,834
	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	42,000	27,000	96,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	27,000	42,000	27,000	96,000
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings	15,000	24,000		39,000
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2)	15,000	24,000		39,000
	Total (B)=(1+2)				1,35,000
	Total Managerial Remuneration				46,18,834
	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		11,79,956	12,92,200	24,72,156
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961		35,945		35,945
	(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		12,15,901	12,92,200	25,08,101

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : None

Kolkata
6th June, 2016

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of
THE NAIHATI JUTE MILLS COMPANY LIMITED

Report on the 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 31st March, 2016, 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; safeguarding the assets of the Company; 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 thereunder.
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 audit opinion on the financial statements.

Basis of Qualified Opinion

- 8.1 Provision for accrued liability of gratuity of existing employees amounting to ₹ 8,75,04,378 (₹ 9,06,56,037) as per actuarial valuation has not been made by the Company which constitutes a departure from the

INDEPENDENT AUDITORS' REPORT (contd.)

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(d)].

8.3 Non provision of interest on loan from WBIDC amounting to ₹ 2,14,08,534 (₹ 2,03,80,749) [Refer Note 4(d)].

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 ₹ 10,89,12,912 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, 2016 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 Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 effects of the matter described in the 'Basis of Qualified Opinion' paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- e. On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 'B'.
- 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, 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;

INDEPENDENT AUDITORS' REPORT (contd.)

- 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.

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

S. K. Chhawchharia
Partner

Membership No. 008482

Kolkata
06th June, 2016

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, 2016

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) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) 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.
 - (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (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 explanation given to us and on the basis of our examination of the records, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) 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.

INDEPENDENT AUDITORS' REPORT (contd.)

- (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 on the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows :

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
West Bengal Value Added Tax Act, 2003	Tax, Interest	24,41,907	2010 - 2011	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Value Added Tax Act, 2003	Tax, Interest	19,93,513 *	2011 - 2012	West Bengal Commercial Taxes Appellate and Revisional Board
West Bengal Value Added Tax Act, 2003	Tax	4,56,587 **	2012 - 2013	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax, Interest	43,18,906	2008 - 2009	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax, Interest	71,01,895	2009 - 2010	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax	71,58,681	2010 - 2011	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax	76,23,410	2011 - 2012	West Bengal Commercial Taxes Appellate and Revisional Board
Central Sales Tax Act, 1956	Tax	36,99,730 ***	2012 - 2013	West Bengal Commercial Taxes Appellate and Revisional Board
Central Excise Act, 1944	Cess	4,56,996 #	August, 2009 - December, 2013	Commissioner of Central Excise, (Appeals)
Central Excise Act, 1944	Cess	1,24,215 ##	January, 2014 - October, 2014	Commissioner of Central Excise, (Appeals)
TOTAL		3,53,75,840		

* A sum of ₹ 1,00,000 has been paid. ** A sum of ₹ 68,488 has been paid. *** A sum of ₹ 5,70,650 has been paid.

A sum of ₹ 34,275 has been paid. ## A sum of ₹ 9,317 has been paid.

INDEPENDENT AUDITORS' REPORT (contd.)

- (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. Similarly, the unprovided further interest (net of rebate) up to March, 2016 amounting to ₹ 2,14,08,534 and unascertainable amount of additional interest, penal interest and liquidated damages also remain unpaid. Company's proposal for settlement of the dues and/or waiver of interest etc. thereon is pending consideration.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) during the year. According to the information and explanations given to us, further disbursement of term loan received during the year were applied for the purpose they were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 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, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

S. K. Chhawchharia
Partner
Membership No. 008482

Kolkata
06th June, 2016

INDEPENDENT AUDITORS' REPORT (contd.)

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section (3) of Section 143 of the Companies Act, 2013 ("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, 2016, 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.

Auditor's 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 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

INDEPENDENT AUDITORS' REPORT (contd.)

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

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

S. K. Chhawchharia
Partner
Membership No. 008482

Kolkata
06th June, 2016

THE NAIHATI JUTE MILLS COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note	As at 31-03-2016		As at 31-03-2015	
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	2	22,448,900		22,448,900	
(b) Reserves and Surplus	3	653,407,600	675,856,500	626,176,295	648,625,195
Non-current Liabilities					
(a) Long-term Borrowings	4	5,314,293		5,000,000	
(b) Deferred Tax Liabilities (net)	5	7,232,279		-	
(c) Other Non-current Liabilities	6	-		2,111,531	
(d) Long-term Provisions	7	7,903,776	20,450,348	8,446,419	15,557,950
Current Liabilities					
(a) Short-term Borrowings	8	26,216,209		85,469,832	
(b) Trade Payables	9	270,538,980		122,216,198	
(c) Other Current Liabilities	10	178,357,562		166,679,394	
(d) Short-term Provisions	7	69,330,244	544,442,995	36,547,720	410,913,144
			1,240,749,842		1,075,096,289
ASSETS					
Non-current Assets					
(a) Fixed Assets					
(i) Tangible Assets	11	680,515,851		680,537,103	
(ii) Intangible Assets	11	67,201		67,201	
		680,583,052		680,604,304	
(b) Non-current Investments	12	11,600		11,600	
(c) Deferred Tax Assets (net)	5	-		5,292,664	
(d) Long-term Loans and Advances	13	4,180,245	684,774,897	1,615,130	687,523,698
Current Assets					
(a) Inventories	14	374,659,670		273,343,749	
(b) Trade Receivables	15	120,180,556		63,763,397	
(c) Cash and Cash Equivalents	16	3,349,146		2,444,160	
(d) Short-term Loans and Advances	13	56,823,039		46,584,034	
(e) Other Current Assets	17	962,535	555,974,945	1,437,251	387,572,591
			1,240,749,842		1,075,096,289

Notes forming part of Financial Statements 1 to 39

The accompanying notes are an integral part of the financial statements.
In terms of our Report of even date attached herewith.

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

KISHOR KUMAR SONTALIA
Chief Financial Officer
GOPAL PRASAD CHOUDHARY
Company Secretary

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

Place : Kolkata
Date : 06th June, 2016

THE NAIHATI JUTE MILLS COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note	2015-16	2014-15
I. Revenue from Operations	18	2,059,330,856	1,447,029,567
II. Other Income	19	1,997,062	3,212,438
III. Total Revenue (I + II)		2,061,327,918	1,450,242,005
IV. Expenses			
(a) Cost of Materials Consumed	20	1,302,923,679	808,878,426
(b) Change in Inventories of Finished Goods and Work-in-Progress	21	(56,762,779)	(8,879,412)
(c) Employee Benefits Expense	22	515,223,178	436,084,698
(d) Finance Costs	23	9,933,121	13,264,790
(e) Depreciation and Amortization Expense		18,670,348	20,770,804
(f) Other Expenses	24	229,086,363	222,203,462
Total Expenses		2,019,073,910	1,492,322,768
V Profit/(Loss) before Tax (III - IV)		42,254,008	(42,080,763)
VI Tax Expenses			
(a) Current Tax (Including Wealth Tax)		8,620,000	
Less: Mat Credit Entitlement		6,122,240	18,600
(b) Deferred Tax		12,524,943	(11,883,484)
VII Profit/(Loss) for the Year (from Continuing Operation) (V-VI)		27,231,305	(30,215,879)
VIII Earning per Ordinary Share (Nominal value of Share ₹ 100)			
(a) Basic	33	126.96	(140.87)
(b) Diluted	33	126.96	(140.87)

Notes forming part of Financial Statements.

1 to 39

The accompanying notes are an integral part of the financial statements.

In terms of our Report of even date attached herewith.

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

KISHOR KUMAR SONTALIA
Chief Financial Officer
GOPAL PRASAD CHOUDHARY
Company Secretary

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

Place : Kolkata
Date : 06th June, 2016

THE NAIHATI JUTE MILLS COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extraordinary items	42,254,008	(42,080,763)
Adjusted for		
- Depreciation	18,670,348	20,770,804
- Interest Income	(8,420)	(17,196)
- Finance Cost	9,933,121	13,264,790
- Bad Debt/Sundry Balances written off	(432)	(57)
- Stores and Spare parts written off	859,363	-
- Liability no longer required written back	(158,253)	-
- Profit on Sale of Other Investments	(72,477)	-
- Unrealized foreign exchange difference gain/loss	2,870	2,178
- Profit on Sale of Fixed Assets	(90,647)	(239,996)
Operating Profit before Working Capital changes	<u>71,389,481</u>	<u>(8,300,239)</u>
Adjusted for		
- Trade and Other Receivables	(56,128,790)	(20,563,630)
- Inventories	(102,175,284)	(19,384,487)
- Trade Payables and Advance from Customers	<u>185,770,696</u>	<u>60,142,654</u>
Cash generated from Operations	<u>98,856,103</u>	<u>11,894,298</u>
- Income Tax paid (net of refund)	<u>(6,495,532)</u>	<u>(1,720)</u>
Net Cash flow from Operating Activities (A)	<u>92,360,571</u>	<u>11,892,578</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(19,171,545)	(11,148,405)
- Capital Subsidy Received	-	2,048,919
- Sale of Fixed Assets	613,096	240,000
- Profit on Sale of Other Investments	72,477	-
- Interest Received	8,420	17,196
Net Cash used in Investing Activities (B)	<u>(18,477,552)</u>	<u>(8,842,290)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from Long-term and other Borrowings	(63,057,257)	665,068
- Interest Paid	(9,917,906)	(13,265,078)
Net Cash from Financing Activities (C)	<u>(72,975,163)</u>	<u>(12,600,010)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	907,856	(9,549,722)
Cash and Cash Equivalents at the beginning of the year	2,444,160	11,996,060
Cash and Cash Equivalents at the end of the year	<u>3,352,016</u>	<u>2,446,338</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	3,352,016	2,446,338
Effect of foreign exchange difference	2,870	2,178
Cash and Cash Equivalents as per Balance Sheet	<u>3,349,146</u>	<u>2,444,160</u>

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

KISHOR KUMAR SONTALIA
Chief Financial Officer

GOPAL PRASAD CHOUDHARY
Company Secretary

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN: 00055972

Place : Kolkata
Date : 06th June, 2016
Membership No. 008482

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

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 as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and the provisions of the Companies Act, 2013.

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.

TANGIBLE AND INTANGIBLE FIXED ASSETS AND DEPRECIATION/AMORTISATION

- Tangible fixed assets are stated at cost of acquisition and subsequent improvements thereto; net of CENVAT/Value added tax, rebates, subsidies, less accumulated depreciation and impairment loss, if any.
- An impairment loss is recognised wherever, the carrying value of the fixed asset exceeds its market value or value in use, whichever is higher.
- In respect of revalued assets the difference between written down value of assets and valuation is transferred to Revaluation Reserve.
- Depreciation on Fixed Assets 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.
- 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.

INVENTORIES

- Raw materials are valued at lower of cost (on weighted average basis) and market rate.
- Stores and Spares are valued at cost (on weighted average/FIFO basis) and after providing for obsolescence, as ascertained.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

- (c) Jute-in-Process is valued at estimated cost.
- (d) Stock of finished goods (including consignment stock in transit) is valued at lower of cost and market/contract rate.
- (e) Caddies, Thread Waste etc. are valued at estimated realisable value.
- (f) Cost has been considered after taking credit for taxes, wherever and to the extent available.

SALES AND OTHER INCOME

- (a) Sales are net of cess, sales tax and claims.
- (b) 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.
- (c) Other income is accounted on accrual basis except where the receipt of income is uncertain.

INVESTMENTS

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 market value.

RETIREMENT BENEFITS

- (a) (i) Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered. Company's contributions to Provident Fund and Pension Fund are charged to the Statement of Profit and Loss.
- (ii) Provision for leave encashment is made on actuarial valuation.
- (b) Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

FOREIGN CURRENCY TRANSACTIONS

- (a) 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.
- (b) 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 yearend 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.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

CLAIMS AND SUBSIDIES

- (a) Insurance claims are accounted for on settlement thereof.
- (b) 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.
- (c) 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.

TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

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 not recognised in the accounts.

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.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

	(₹)	
	As at 31-03-2016	As at 31-03-2015
2 SHARE CAPITAL		
Capital Structure		
Authorized		
479,989 Ordinary Shares of ₹ 100 each	47,998,900	47,998,900
70,000 Preference Shares of ₹ 100 each	7,000,000	7,000,000
	<u>54,998,900</u>	<u>54,998,900</u>
Issued, Subscribed and Fully Paid Up		
214,489 Ordinary Shares of ₹ 100 each (P.Y. 214,489 Shares of ₹ 100 each)	21,448,900	21,448,900
10,000 15% Non-cumulative Redeemable Preference Shares of ₹ 100 each fully paid up (P.Y. 10,000 Shares of ₹ 100 each)	1,000,000	1,000,000
	<u>22,448,900</u>	<u>22,448,900</u>

Share Capital Reconciliation

	As at 31-03-2016		As at 31-03-2015	
	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	<u>214,489</u>	<u>21,448,900</u>	<u>214,489</u>	<u>21,448,900</u>
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	<u>10,000</u>	<u>1,000,000</u>	<u>10,000</u>	<u>1,000,000</u>

Terms/Rights attached to Shares

Ordinary Shares

The Company has only one class of Ordinary Shares having a par value of ₹ 100. Each holder of Ordinary Shares is entitled to one vote per share.

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.

Preference Shares

The Company has issued Non-cumulative Redeemable Preference Shares(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 NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

* 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.

In the event of liquidation of the Company before redemption of NRPS, the holders of such Shares will have priority over Ordinary Shares in the payment of dividend and repayment of capital.

Preference Shares have no voting rights.

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

	As at 31-03-2016		As at 31-03-2015	
	Nos.	% of holding in the Class	Nos.	% of holding in the Class
Ordinary Shares of ₹ 100 each fully paid up				
Jugal Kishore Bhagat	12,825	5.98	-	-
Ravi Bhagat	20,110	9.37	-	-
Ashutosh Bhagat	146,824	68.45	146,824	68.45
15% NRPS of ₹ 100 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

3 RESERVES AND SURPLUS

Capital Reserve

Others (details not available)

Securities Premium Reserve

Revaluation Reserve

Balance at the beginning of the year

Less : Amount adjusted with Fixed Assets (Refer Note 26)

Balance at the end of the year

General Reserve

Surplus

Balance at the beginning of the year

Adjustment of Assets Cost as per Schedule II (*)

Profit/(Loss) for the year

Balance at the end of the year

	As at 31-03-2016	As at 31-03-2015
Capital Reserve	566,509	566,509
Securities Premium Reserve	4,000,000	4,000,000
Revaluation Reserve		
Balance at the beginning of the year	579,173,361	1,081,613,176
Less : Amount adjusted with Fixed Assets (Refer Note 26)	-	(502,439,815)
Balance at the end of the year	<u>579,173,361</u>	<u>579,173,361</u>
General Reserve	4,250,000	4,250,000
Surplus		
Balance at the beginning of the year	38,186,424	75,037,050
Adjustment of Assets Cost as per Schedule II (*)	-	(6,634,747)
Profit/(Loss) for the year	27,231,305	(30,215,879)
Balance at the end of the year	<u>65,417,729</u>	<u>38,186,424</u>
	<u>653,407,600</u>	<u>626,176,295</u>

(*) In accordance with the transitional provisions of Schedule II of the Companies Act, 2013, the Company has adjusted the net book value (net of deferred tax) of those assets where the remaining useful life is nil as on 31st March, 2014, with the opening balance of retained earnings.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

	Non-current portion		Current maturities	
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2016	As at 31-03-2015
4 LONG-TERM BORROWINGS				
Secured Loans				
From Banks				
Rupee Term Loan	3,000,000	5,000,000	4,324,792	9,651,971
Rupee Vehicle Loan	2,314,293	-	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
	<u>5,314,293</u>	<u>5,000,000</u>	<u>22,663,794</u>	<u>26,781,721</u>
Amount disclosed under the head 'Other Current Liabilities' (Refer Note 10)	-	-	22,663,794	26,781,721
	<u>5,314,293</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>

Security

Rupee Term Loan of ₹ 7,324,792 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 ₹ 3,523,545 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.

Repayment Terms

Particulars	No. of Instalments	Amount of Instalment	Maturity date	Interest
a) Rupee Term Loan of ₹ 5,000,000 from Punjab National Bank	10 Quarterly	500,000	30-09-2018	BR+2.75%
b) Rupee Term Loan of ₹ 2,324,792 from Punjab National Bank	5 Monthly	555,555	31-08-2016	BR+2.75%
c) Rupee Vehicle Loan of ₹ 1,875,000 from ICICI Bank Limited	36 Monthly	Ballooning (EMI- ₹60,149)	10-03-2019	9.59%
d) Rupee Vehicle Loan of ₹ 1,077,960 from Kotak Mahindra Prime Limited	28 Monthly	Ballooning (EMI- ₹43,200)	05-07-2018	9.43%
e) Rupee Vehicle Loan of ₹ 570,585 from HDFC Bank Limited	31 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, 2016 amounting to ₹ 21,408,534 (including ₹ 1,027,785 for current year) remain 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.				

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

	As at 31-03-2016	As at 31-03-2015
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	9,718,235	10,905,757
Tax impact of expenses claimed under tax laws but charge to the Statement of Profit and Loss deferred	<u>691,894</u>	<u>970,547</u>
	<u>10,410,129</u>	<u>11,876,304</u>
Deferred Tax Assets		
Tax impact of expenses charged to the Statement of Profit and Loss but allowance under tax laws deferred	3,177,850	3,177,850
Balance of Loss to be carried forward	-	13,991,118
	<u>3,177,850</u>	<u>17,168,968</u>
Net Deferred Tax Liabilities/(Assets)	<u>7,232,279</u>	<u>(5,292,664)</u>
6 OTHER NON-CURRENT LIABILITIES	-	2,111,531
	-	<u>2,111,531</u>

7 PROVISIONS

	Long-Term		Short-term	
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2016	As at 31-03-2015
Provision for Employee Benefits				
For Bonus	-	-	32,219,789	7,723,008
For Leave Benefits	7,903,776	8,446,419	1,582,610	1,916,867
	<u>7,903,776</u>	<u>8,446,419</u>	<u>33,802,399</u>	<u>9,639,875</u>
Other Provisions				
For Income Tax	-	-	35,432,227	26,812,227
For Wealth Tax	-	-	95,618	95,618
	-	-	<u>35,527,845</u>	<u>26,907,845</u>
	<u>7,903,776</u>	<u>8,446,419</u>	<u>69,330,244</u>	<u>36,547,720</u>

8 SHORT-TERM BORROWINGS

From Banks (Secured) :		
Working Capital Loans	17,816,209	50,469,832
Packing Credit	8,400,000	35,000,000
	<u>26,216,209</u>	<u>85,469,832</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.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

	As at 31-03-2016	As at 31-03-2015
9 TRADE PAYABLES		
Trade Payables (including acceptance)	270,538,980	122,216,198
	270,538,980	122,216,198
10 OTHER CURRENT LIABILITIES		
Current maturities of Long-term Borrowings (Refer Note 4)	22,663,794	26,781,721
Interest accrued and due on Borrowings (WBIDC)	10,284,304	10,284,304
Interest accrued but not due on Borrowings	15,215	-
Advance from Customers	6,387,007	651,196
Creditors for Capital Goods	3,045,000	-
Statutory Dues	13,438,580	10,299,874
Other Payables (includes provision for outstanding liabilities and expenses, unclaimed employee benefits and other expenses payable)	122,523,662	118,662,299
	178,357,562	166,679,394

THE NAIHATI JUTE MILLS COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

11 FIXED ASSETS

PARTICULARS	GROSS BLOCK			Reversal of revaluation*	Total as at 31-03-2016	Up to 31-03-2015	Adjustment from Retained Earnings**	DEPRECIATION			NET BLOCK	
	As at 01-04-2015	Additions	Deductions and/or Adjustments					During the year	Deductions and/or Adjustments	Up to 31-03-2016	As at 31-03-2016	As at 31-03-2015
Land	569,367,000	-	-	-	569,367,000	-	-	-	-	-	569,367,000	569,367,000
Buildings	41,465,488	-	-	-	41,465,488	31,062,569	1,006,350	-	-	32,068,919	9,396,569	10,402,919
Plant and Machinery	233,603,984	16,318,460	-	-	249,922,444	147,989,710	12,964,571	-	-	160,954,281	88,968,163	85,614,274
Diesel Generating Sets	13,070,013	-	-	-	13,070,013	11,554,395	209,367	-	-	11,763,762	1,306,251	1,515,618
Engines and Boilers	5,051,966	-	-	-	5,051,966	4,783,341	38,284	-	-	4,821,625	230,341	268,625
Sprinkler Installation	917,456	-	-	-	917,456	917,042	-	-	-	917,042	414	414
Electrical Installation	22,870,323	-	-	-	22,870,323	14,839,285	2,342,034	-	-	17,181,319	5,689,004	8,031,038
Railway Siding	275,298	-	-	-	275,298	275,276	-	-	-	275,276	22	22
Tubewell Installation	1,968,600	-	-	-	1,968,600	1,870,169	-	-	-	1,870,169	98,431	98,431
Jetty	1,019,669	-	-	-	1,019,669	1,019,603	-	-	-	1,019,603	66	66
Furniture and Fittings	3,130,248	68,540	-	-	3,198,788	2,667,503	151,021	-	-	2,818,524	380,264	462,745
Vehicles	9,836,106	2,387,265	-	-	8,686,776	7,305,508	1,250,593	-	-	5,534,305	3,152,471	2,530,598
Office Machinery, Equipments, Airconditioners and Refrigerators	11,409,409	397,280	153,000	-	11,653,689	10,328,492	491,080	-	-	10,674,222	979,467	1,080,917
Weighing Machines	2,132,064	-	-	-	2,132,064	967,628	217,048	-	-	1,184,676	947,388	1,164,036
TOTAL	916,117,624	19,171,545	3,689,595	-	931,599,574	235,580,521	18,670,348	3,167,146	-	251,083,723	680,515,851	680,537,103
Intangible Assets	1,344,000	-	-	-	1,344,000	1,276,799	-	-	-	1,276,799	67,201	67,201
Computer Software	1,344,000	-	-	-	1,344,000	1,276,799	-	-	-	1,276,799	67,201	67,201
TOTAL	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	680,604,304
Previous Year Figures	1,410,856,648	11,148,405	2,103,614	502,439,815	917,461,624	206,539,547	20,770,804	54,691	-	236,857,320	680,604,304	680,604,304

* Refer Note 26

** In accordance with the transitional provisions of Schedule II, the Company has adjusted an amount of ₹ 9,601,660 (Including Deferred Tax of ₹ 2,966,913 thereon) in the opening balances of retained earnings for those assets where the remaining useful life is nil, as on 1st April, 2014. Also refer Note 3.

THE NAIHATI JUTE MILLS COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

	As at 31-03-2016	As at 31-03-2015		
12 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>		
13 LOANS AND ADVANCES (Unsecured, Considered good)				
	Long-term	Short-term		
	As at 31-03-2016	As at 31-03-2015	As at 31-03-2016	As at 31-03-2015
Capital Advances	3,161,462	637,500	-	-
Security Deposit	860,493	860,493	-	-
Others				
Advances recoverable in cash or in kind or for value to be received	158,290	117,137	3,957,547	4,844,044
Prepaid Expenses	-	-	2,269,592	1,550,014
Income Tax advance/tax deducted at source	-	-	36,025,179	29,511,047
Balance with Statutory/Government Authorities	-	-	7,986,253	10,216,702
Mat Credit Entitlement	-	-	6,584,467	462,227
	<u>4,180,245</u>	<u>1,615,130</u>	<u>56,823,039</u>	<u>46,584,034</u>
14 INVENTORIES (as taken, valued and certified by the management)				
Raw Material	167,099,388	121,289,668		
Stores and Spare Parts	13,051,357	14,307,935		
Jute-in-Process	82,119,159	53,242,659		
Finished Goods	112,389,766	84,503,487		
	<u>374,659,670</u>	<u>273,343,749</u>		
Details of Inventories				
Raw Material				
Raw Jute	165,039,233	119,788,608		
Batching Oil	993,756	619,774		
Dyes and Chemicals	916,133	767,986		
Caddies, Thread Waste etc.	150,266	113,300		
	<u>167,099,388</u>	<u>121,289,668</u>		

THE NAIHATI JUTE MILLS COMPANY LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

	As at 31-03-2016	As at 31-03-2015
15 TRADE RECEIVABLES (Unsecured, Considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	8,065,962	4,332,028
Other Receivables	112,114,594	59,431,369
	<u>120,180,556</u>	<u>63,763,397</u>
16 CASH AND CASH EQUIVALENTS		
Balances with Banks in Current Account	452,815	254,701
Cash on hand	2,896,331	2,189,459
	<u>3,349,146</u>	<u>2,444,160</u>
17 OTHER CURRENT ASSETS		
Interest Receivable	389,348	7,783
Duty Draw Back Receivable	573,187	1,429,468
	<u>962,535</u>	<u>1,437,251</u>
	2015-16	2014-15
18 REVENUE FROM OPERATIONS		
Sale of Products		
Finished Goods	2,053,734,858	1,443,887,139
Other Operating Revenue		
By-products	118,500	157,575
Export Incentives	1,649,825	1,006,130
Profit on Sale of DEPB Licenses	3,827,673	1,978,723
	<u>5,595,998</u>	<u>3,142,428</u>
	<u>2,059,330,856</u>	<u>1,447,029,567</u>
19 OTHER INCOME		
Interest on Deposits	8,420	17,196
Foreign Exchange fluctuations	928,858	601,573
Liability no longer required	158,253	-
Net gain on Sale of Current Investments	72,477	-
Net gain on Sale of Fixed Assets	90,647	239,996
Other Non-operating Income	738,407	2,353,673
	<u>1,997,062</u>	<u>3,212,438</u>
20 COST OF MATERIALS CONSUMED		
*Inventory at the beginning of the year	121,289,668	108,121,843
Add: Purchases less returns	1,348,733,399	822,046,251
Less: *Inventory at the end of the year	167,099,388	121,289,668
	<u>1,302,923,679</u>	<u>808,878,426</u>

*Includes Stock of Caddies, Thread Waste etc.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

	2015-16	2014-15
21 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventory at the beginning of the year		
Finished Goods	84,503,487	79,759,816
Jute-in-Process	53,242,659	49,106,918
	<u>137,746,146</u>	<u>128,866,734</u>
Inventory at the end of the year		
Finished Goods	112,389,766	84,503,487
Jute-in-Process	82,119,159	53,242,659
	<u>194,508,925</u>	<u>137,746,146</u>
	<u>(56,762,779)</u>	<u>(8,879,412)</u>
22 EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	464,757,902	388,876,769
Contribution to Provident and Other Funds	47,791,423	44,753,388
Staff Welfare Expenses	2,673,853	2,454,541
	<u>515,223,178</u>	<u>436,084,698</u>
23 FINANCE COSTS		
Interest Expenses	8,515,096	11,426,880
Other Borrowing Costs	1,418,025	1,837,910
	<u>9,933,121</u>	<u>13,264,790</u>
24 OTHER EXPENSES		
Consumption of Stores and Spare Parts	60,031,383	56,191,172
Stores and Spare Parts written off	859,363	-
Bleaching, Processing and Printing Expenses	19,168,644	5,832,927
Power and Fuel	100,647,448	112,111,441
Rent	515,400	515,400
Repairs and Maintenance		
Plant and Machinery	6,860,879	6,058,080
Building	1,806,786	1,164,388
Others	4,099,081	4,047,886
Insurance	1,703,944	1,983,420
Rates and Taxes	6,605,709	2,920,779
Freight and Delivery Charges	5,398,327	9,498,587
Brokerage on Sales	5,335,475	5,325,463
Payment to Auditors		
For Statutory Audit	629,750	533,710
For Internal Audit	116,790	114,608
For Tax Audit	85,500	84,270
For Cost Audit	28,500	28,090
For Issuing Certificates and Others	74,630	67,910
Directors' Fee	135,000	102,000
Professional and Consultancy Charges	2,879,220	2,374,395
Travelling Expenses	3,540,620	5,060,481
Miscellaneous Expenses	8,563,913	8,188,455
	<u>229,086,363</u>	<u>222,203,462</u>

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

25. Contingent Liabilities not provided for in respect of :
- Disputed demands of ₹ 29,902,622 (₹ 51,693,047) and ₹ 4,892,007 (₹ 9,251,376) relating to Central Sales Tax for years from 2008-09 to 2012-13 and West Bengal Value Added Tax for years from 2011-12 to 2012-13 respectively, including interest [against which amount deposited is ₹ 739,138 (₹ 1,703,878)], against which Company's revision applications are pending.
 - Disputed demands for periods from August, 2009 to October, 2014 of ₹ 581,211 (₹ Nil) relating to cess under Central Excise Act, [against which amount deposited is ₹ 43,592 (₹ Nil)], against which Company's appeals are pending.
 - 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.
 - Bills discounted with banks remaining outstanding at the year-end (since realised) amounting to ₹ 8,180,816 (₹ 22,719,730).
 - Additional tax demand of ₹ 1,836,604 (₹ 1,836,604) relating to land revenue against which the Company's writ petition is pending before High Court.
26. As decided by the Board, the restated amount added on revaluation of depreciable assets i.e. Building and Plant and Machinery made on 31st March, 2014 was reversed on 1st April, 2014.
27. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) – ₹ 2,499,185 (₹ 1,563,420).
28. (i) The accrued and due liability of gratuity of employees retired/resigned during the year amounting to ₹ 3,580,978 (₹ 10,173,001) net of payment of ₹ 4,631,046 (₹ 1,656,680) 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, 2016 for future payments under the Payment of Gratuity Act, 1972 determined as per actuarial valuation amounts to ₹ 87,504,378 (₹ 90,656,037).

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	32,282,777	(29,788,353)
Employer's Contribution to ESIC Scheme	15,508,646	(14,965,035)

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	161,566,025	158,296,438
Current Service Cost	15,020,152	14,173,046
Interest Cost	13,496,490	14,393,811
Actuarial (gain)/loss	(4,656,698)	(11,632,598)
Benefits (paid)	(10,501,625)	(13,664,672)
Defined Benefit Obligation at the year end	174,924,344	161,566,025
b) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	70,909,988	67,780,576
Expected return on Plan Assets	6,333,198	6,241,075
Employer's contribution	20,631,051	10,415,194
Actuarial gain/(loss) on Plan Assets	47,354	137,815
Benefits paid	(10,501,625)	(13,664,672)
Fair value of Plan Assets at the year end	87,419,966	70,909,988
c) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	87,419,966	70,909,988
Present value of Obligation	174,924,344	161,566,025
Amount recognised in Balance Sheet (gratuity to the extent of ₹ 87,504,378 remains unprovided)	87,419,966	70,909,988
d) Expenses recognized during the year		
Amount provided and contributed to Group Gratuity Scheme	17,050,073	242,193
e) Actuarial assumptions		
Mortality Table	2006-08 (Indian Assured Lives)	2006-08 (Indian Assured Lives)
Discount rate (per annum) compounded	8.00%	8.00%
Rate of escalation in salary (per annum)	5.00%	5.00%

	Gratuity (Funded)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Defined Benefit Obligation at the end of the year	174,924,344	161,566,025	158,296,438	143,198,848	133,035,646
Fair value of planned assets at the end of the year	87,419,966	70,909,988	67,780,576	63,555,780	35,257,131
Surplus / (Deficit)	(87,504,378)	(90,656,037)	(90,515,862)	(79,643,068)	(97,778,515)

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.)

(B)	Leave Encashment (Unfunded)	
	Current Year	Previous Year
a) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	10,363,286	10,216,498
Current Service Cost	4,898,380	3,003,060
Interest Cost	796,162	926,090
Actuarial (gain)/loss	4,775,688	8,018,399
Benefits (paid)	(11,347,130)	(11,800,761)
Defined Benefit Obligation at the year end	9,486,386	10,363,286
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	11,347,130	11,800,761
Actuarial gain/(loss) on Plan Assets	-	-
Benefits paid	(11,347,130)	(11,800,761)
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	9,486,386	10,363,286
Amount recognised in Balance Sheet	9,486,386	10,363,286
d) Expenses recognized during the year	3,282,662	2,983,955
e) Actuarial assumptions		
Mortality Table	2006-08 (Indian Assured Lives)	2006-08 (Indian Assured Lives)
Discount rate (per annum) compounded	8.00%	8.00%
Rate of escalation in salary (per annum)	6.00%	5.00%

29. (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 ₹ 2,122,334 (₹ 804,917). Name of SSI's to whom the Company owes any sum, which is outstanding for more than 30 days as at 31st March 2016 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) 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.

30. In the management's perception, in accordance with Accounting Standard 17 on 'Segment Reporting' issued by The Institute of Chartered Accountants of India (ICAI), the Company has only one reportable segment namely 'Jute Goods'.

31. The Company stands voluntarily delisted from the official list of The Calcutta Stock Exchange Limited with effect from 31.03.2016 under Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

32. 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 (in ₹) :

	Key managerial personnel	Enterprises over which key management personnel and/or relatives are able to exercise significant influence
i) Remuneration paid	11,988,168 (11,346,866)	-
ii) Guarantees given on behalf of the Company	-	For facilities from Punjab National Bank

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

- Ajanta Commercial & Trading Company Private Limited
- Ashutosh Spinners Private Limited
- Bhagat Agencies Private Limited
- Bhaskar Barter Private Limited
- Ginni Securities Limited
- Lotus Enclave Private Limited
- Narottamka Commercial Company Private Limited
- Raj Rajeshwar Promoters Private Limited
- Reform Flour Mills Private Limited
- Twinkle Lefin Private Limited
- Vedant Credit Finance Private Limited

33. 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 :

	2015-16	2014-15
a) Amount used as numerator in calculating basic and diluted EPS :		
Net Profit/(Loss) after tax available for Ordinary Shareholders	27,231,305	(30,215,879)
b) 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)	126.96	(140.87)

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹)

34. 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, 2016.

35. Imported and Indigenous Raw Materials and Stores and Spares Parts Consumed

	Raw Material Consumed		Stores and Spare Parts Consumed	
	Value (₹)	%	Value (₹)	%
Imported	29,065,807 (38,459,287)	2.23 (4.75)	- (-)	- (-)
Indigenous	1,273,857,872 (770,419,139)	97.77 (95.25)	60,064,169 (56,191,172)	100.00 (100.00)

36. C.I.F. Value of Imports Raw Jute	19,478,658 (36,932,019)
37. F.O.B. Value of Exports	69,964,332 (98,850,951)
38. Expenditure in Foreign Currency Travelling Expenses	1,977,299 (2,520,357)

39. The Company has reclassified previous year figures wherever appropriate to conform to this year's classification. Unless otherwise specified the same are stated in bracket.

In terms of our Report of even date attached herewith.

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

KISHOR KUMAR SONTALIA
Chief Financial Officer

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN: 00055972

Place : Kolkata
Date : 06th June, 2016

GOPAL PRASAD CHOUDHARY
Company Secretary

THE NAIHATI JUTE MILLS COMPANY LIMITED

CIN : L17119WB1905PLC001612

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 111th Annual General Meeting of the Company to be held on Saturday, 20th day of August, 2016 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, 2016.
2.	Re-appointment of Shri Vikram Prakash as a Director, who retires by rotation.
3.	Ratification of appointment of Messrs B. Chhawchharia & Co., Chartered Accountants, as Auditors and fixing their remuneration.
4.	Re-appointment of Shri Jugal Kishore Bhagat as Managing Director.
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, 2016.

Signed this day of2016

Signature of Shareholder

Signature of Proxyholder

Affix
Revenue
Stamp

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