

ANNUAL REPORT
2021 - 2022

The Naihati Jute Mills Company Limited

BOARD OF DIRECTORS

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

ALOK KUMAR KHASTAGIR – *Independent Director – DIN 00124558*

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

SHRISH TAPURIAH – *Non-executive Director – DIN 00395964*

SENIOR MANAGEMENT

RAVI BHAGAT – *Chief Executive Officer*

ASHUTOSH BHAGAT – *Jt. Chief Executive Officer*

CHIEF FINANCIAL OFFICER

CA KISHOR KUMAR SONTHALIA

COMPANY SECRETARY

CS GOPAL PRASAD CHOUDHARY

BANKER

PUNJAB NATIONAL BANK

REGISTRAR AND SHARE TRANSFER AGENT

MAHESHWARI DATAMATICS PVT. LTD.
23, R.N. MUKHERJEE ROAD (5TH FLOOR)
KOLKATA-700001

PHONE : (033) 2248 2248 / 2243 5029

E-mail : mdpldc@yahoo.com

AUDITORS

B. CHHAWCHHARIA & CO.

Chartered Accountants

COST AUDITORS

D. RADHAKRISHNAN & CO.

Cost Accountants

REGISTERED OFFICE

7, HARE STREET (4TH FLOOR)

KOLKATA-700001

Phone: (033) 4000 4570 Fax: 033 4000-4584

E-mail: naihati@naihatijute.com

Website: www.naihatijute.com

CIN : U17119WB1905PLC001612

MILL

HAZINAGAR

NORTH 24 PARGANAS-743135

WEST BENGAL

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THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 117th Annual General Meeting of The Naihati Jute Mills Company Limited will be held at the Registered Office of the Company at 7, Hare Street, 4th Floor, Kolkata-700001 on Tuesday, the 20th day of September, 2022 at 3.00 P.M. to transact the following business:

1. To receive, consider and adopt the Financial Statements for the financial year ended 31st March, 2022 and the Reports of Board of Directors and Auditors thereon.
2. To declare dividend on Ordinary Shares.
3. To appoint a Director in place of Shri Shrish Tapuriah (DIN: 00395964), who retires by rotation and, being eligible, offers himself for re-appointment.

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 such approvals and sanctions as may be necessary, the Company hereby accords its consent and approval to the re-appointment of Shri Jugal Kishore Bhagat as Chairman and Managing Director of the Company for a further period of three years with effect from 1st October, 2022 on the terms and conditions and remuneration (including remuneration to be paid in the event of any loss or inadequacy of profit in any financial year during the term of Office of Shri Jugal Kishore Bhagat) as set out in the Agreement entered into between the Company and Shri Jugal Kishore Bhagat, a copy whereof is placed before the Meeting which Agreement is hereby specifically approved and sanctioned.

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

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the remuneration of ₹25,000 plus applicable taxes and re-imburement 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, 2023 be and is hereby ratified”.

By Order of the Board

Registered Office:
7, Hare Street (4th Floor),
Kolkata- 700001
Date: 20th July, 2022

CS GOPAL PRASAD CHOUDHARY
Company Secretary

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE (contd.)

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing the proxy, to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than fortyeight hours before the time of commencement of the meeting.** A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the meeting.
2. Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Dividend, if declared at the Annual General Meeting, will be paid to those members whose names appear on 16th September, 2022 as Members in the Register of Members of the Company or in the list of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited.
4. The Register of Directors and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the Members at the Meeting.
5. The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Meeting.
6. Attendance slip, proxy form and the route map of the venue of the meeting are annexed hereto.
7. Members are requested to bring their copy of Annual Report at the Meeting.

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

Item 4: Shri Jugal Kishore Bhagat (Shri Bhagat) was re-appointed as Managing Director of the Company for a term of three years with effect from 1st October, 2019. Thus, the term of his Office as Managing Director will expire on 30th September, 2022. Since Shri Bhagat is aged above 70 years, the Nomination and Remuneration Committee, while recommending his re-appointment, noted in terms of Section 196 of the Act that Shri Bhagat is keeping good health and sound mind. He regularly attends the Office of the Company to discharge his duties and deliberates all Board Meetings of the Company and the Committee Meetings of the Company of which he is a member. He takes all policy decisions on the issues emerging out of the business of the Company and interacts with the Officers below i.e. Chief Executive Officer, Joint Chief Executive Officer, Company Secretary and Chief Financial Officer. He continues to be the Managing Director of the Company since the year 1969 and considering his rich experience and long association with the Company at this position and so long he is active in discharging his duties, any change at the helm of the Company is not desired.

In view of the justification as stated above the Board of Directors on recommendation of Nomination and Remuneration Committee has re-appointed Shri Bhagat as Managing Director for a further term of three years with effect from 1st October, 2022 on the following terms and conditions:

- a) SALARY: ₹600,000 (Rupees Six lakhs only) per month.
- b) COMMISSION: At the rate of 3% (three percent) of profits of the Company for each financial year and within the permissible limits specified in the Act and shall be payable on pro-rata basis for any broken period/year.

NOTICE (contd.)

- c) ALLOWANCES AND PERQUISITES: Shri Bhagat will be entitled to the following allowances and perquisites in addition to salary and commission, allowances and perquisites being limited to 55% of his annual salary. Unless the context otherwise requires, allowances and perquisites are classified into three categories A, B and C as follows:

Category -A

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

Housing

- i) Reimbursement of rent for residential accommodation of the Managing Director not exceeding 45% of the salary over and above 10% payable by the Managing Director. However, in lieu of rent for residential accommodation, House Rent Allowance not exceeding 45% of the salary may be paid.
- ii) The Expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be valued as per the Income Tax Rules, 1962.

Medical Reimbursement

Reimbursement of expenses actually incurred on self and family.

Leave/Holiday Travel Expenses

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

Club Fees

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

Personal Accident Insurance

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

Travelling Expenses

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

Category –B

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE (contd.)

Category – C

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

Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year, during the currency of tenure of office of Shri Bhagat, the Company may pay him the above mentioned remuneration as the minimum remuneration subject to limits and conditions specified in Schedule V to the Act or any statutory modifications or re-enactments thereof as may be applicable at the relevant time.

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

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

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

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

The Board of Directors recommend passing of the proposed Special Resolution as set out at item 4 of the notice.

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

I. General Information

- 1) Nature of industry Manufacturer of Jute Goods
- 2) Date or expected date of commencement of commercial production Year 1905
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus Being an existing Company, not applicable.

4) Financial performance based on given indicators (₹ in lakh)

Year ending 31 st March	Sales	Operating Profit	Profit before Tax	Profit after Tax
2018	23,043	761	439	270
2019	23,369	484	155	129
2020	24,361	563	250	179
2021	22,180	327	37	28
2022	20,475	539	273	202

- 5) Foreign investments or collaborations, if any There are 7 Foreign Shareholders holding 144 Ordinary Shares of ₹100 each. The Company does not have any foreign collaboration.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE (contd.)

II. Information about the Appointee

1) Background details

Shri Bhagat is an eminent industrialist. He is a graduate in Commerce from St. Xavier's College, Kolkata. He has significant experience in business. He 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 (₹)
2021-22	9,631,844
2020-21	7,653,368
2019-20	9,016,808
2018-19	7,026,372
2017-18	8,038,005*

* Includes arrear remuneration of the year 2016-17 ₹1,185,000.

3) Recognition or awards

4) Job profile and his suitability

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

5) Remuneration Proposed

Salary ₹600,000 per month alongwith with Commission @ 3% of the net profits computed in the manner laid down under Sections 197 and 198 of the Act and other allowances and perquisites, as spelt out in the Statement hereinabove.

6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The remuneration proposed is in consonance with similar position in the Industry.

7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTICE (contd.)

III. Other information

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

IV. Disclosures

The Company is not a listed Company and “Corporate Governance” is not included in the 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, 2023 at a remuneration of ₹25,000 plus applicable taxes and re-imbursment of out of pocket expenses incurred by them.

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

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

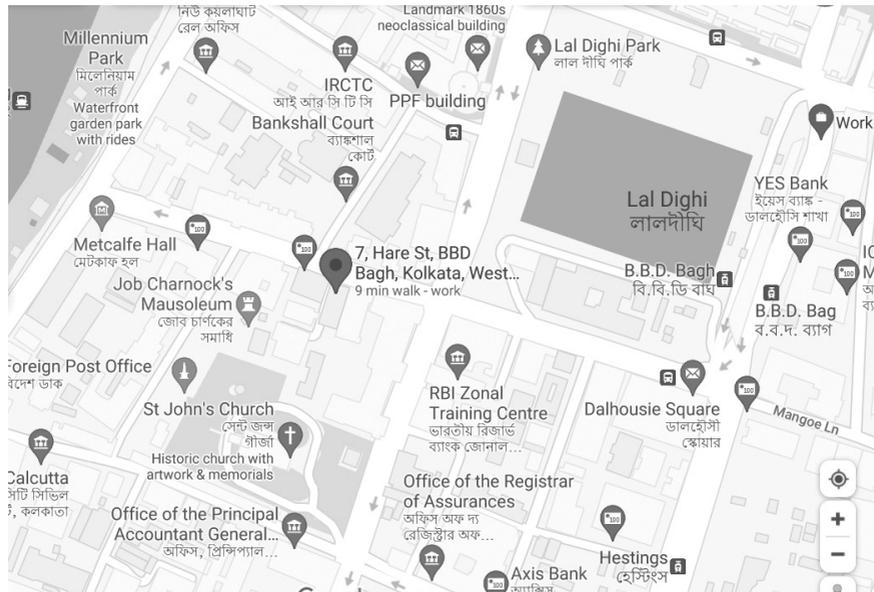
By Order of the Board

Registered Office:
7, Hare Street (4th Floor),
Kolkata- 700001
Date: 20th July, 2022

CS GOPAL PRASAD CHOUDHARY
Company Secretary

Route Map

To the venue of 117th Annual General Meeting (AGM) at the Registered Office of the Company at 7, Hare Street, 4th Floor, Kolkata - 700001, West Bengal, India



The prominent landmark near the venue is Bankshall Court.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors of your Company present their Annual Report and Financial Statements for the year ended 31st March, 2022.

FINANCIAL RESULTS

(₹ in lakhs)

Profit for the year before finance cost, depreciation and taxation		539.01
From which have been adjusted		
i) Finance Cost	94.32	
ii) Provision for Depreciation	171.34	
iii) Provision for Tax	74.05	
iv) Provision for Deferred Tax	<u>(2.63)</u>	<u>337.08</u>
leaving a surplus of		<u>201.93</u>
which is carried forward to Balance Sheet.		

DIVIDEND

The Board of Directors has recommended a dividend for the financial year 2021-22 @ 10%, i.e. ₹10 per share on 214,489 Ordinary Shares of ₹100 each amounting to ₹21.45 lakhs. The dividend payment is subject to approval of members at the ensuing Annual General Meeting (AGM).

OPERATIONS

The year started with Raw Jute prices touching record highs. With the arrival of new jute crops the raw jute prices corrected somewhat but remained significantly higher than the Reasonable (Maximum) price of Raw Jute fixed by the Jute Commissioner on 30th September, 2021. This adversely affected profitability on Govt. B Twill supplies for the second half of the year. The year saw many mills shutting down due to these adverse economic conditions and overall shortage of raw jute.

Unfortunately, during the year the operations of the Company also were affected twice due to suspension of work at the Mills for a cumulative period of 108 days.

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

	Year 2021-22	Year 2020-21
Production (M.Tonnes)	19,165	22,467
Total Turnover (₹ in lakhs)	20,475.18	22,180.48
Profit before taxation (₹ in lakhs)	273.35	37.29
Profit after taxation (₹ in lakhs)	201.93	27.88
Earning per Share of Face value of Rs. 100 (₹)	94.15	13.00

OUTLOOK

Post settlement with the operating trade unions during the year there was an improving trend in the production and productivity levels at the Mills. We still have a long way to go to achieve standard production levels being achieved in good units in the industry.

The sowing report of the ensuing jute season is very good because of favourable prices received by the growers. Unfortunately, due to prolonged dry weather condition at time of harvesting of the crop the gains made due to increased area appear to be nullified to a large extent while also affecting crop quality.

The domestic demand scenario for the industry continues to be good due to a stable policy of protection offered to the industry under Jute Packing Materials (Compulsory use of Packing Commodities) Act, 1987.

THE NAIHATI JUTE MILLS COMPANY LIMITED

DIRECTORS' REPORT *(contd.)*

The shift towards ecofriendly alternatives is giving rise to new segments of demand for the industry. The export market continues to be highly competitive with Bangladesh providing huge subsidies to its exporters while export benefits in our country are being reduced/withdrawn. The overall outlook for the industry remains healthy in spite of challenges on the raw material front.

DIRECTORS

Shri Jugal Kishore Bhagat has been re-appointed as Managing Director of the Company for a further term of three years with effect from 1st October, 2022 by the Board of Directors subject to approval of Shareholders of the Company and such other approval and sanctions as may be necessary.

As per provisions of Section 152 of the Companies Act, 2013 (the Act), Shri Shrish Tapuriah, Director, retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment.

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

BOARD MEETINGS

During the year under review, four meetings of the Board of Directors were held on 31st July, 2021, 18th September, 2021, 29th December, 2021 and 23rd March, 2022.

Apart from meetings of the Board of Directors, meetings of Audit Committee were held during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

REMUNERATION POLICY

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

PARTICULARS OF LOAN, GUARANTEE OR INVESTMENT

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

DIRECTORS' REPORT *(contd.)*

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 END OF FINANCIAL YEAR

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

CORPORATE SOCIAL RESPONSIBILITY

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

DEPOSITS

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

SIGNIFICANT AND MATERIAL ORDERS

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

AUDITORS AND AUDITORS' REPORT

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

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

The request of the Company to the State Government and its Nodal Agency, West Bengal Industrial Development Corporation Limited for One Time Settlement of the outstanding dues is under consideration. As the Company expects substantial relief, no provision has been made for interest since 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 NAIHATI JUTE MILLS COMPANY LIMITED

DIRECTORS' REPORT *(contd.)*

the Company for the year ended 31st March, 2023 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.

STANDARDS

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

SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

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

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

The Company has in place an Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment of any of the female employees (permanent, contractual, temporary, trainees). No complaint has been received during the calendar year 2021.

STAFF AND LABOUR

Industrial relations remained harmonious during the year.

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 elements of risk, its mitigation and other related factors.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN: 00055972

Kolkata
20th July, 2022

THE NAIHATI JUTE MILLS COMPANY LIMITED

ANNEXURE – A TO DIRECTORS’ REPORT

FORM NO. AOC - 2

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

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

1. Details of contracts or arrangements or transactions not at arm’s length basis	
The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm’s length during the financial year 2021-22.	
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	Five years with effect from 1st April, 2019
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	1) ₹350,000 per month (in the scale of ₹350,000-₹35,000-₹490,000)* 2) ₹345,000 per month (in the scale of ₹345,000-₹35,000-₹485,000)* *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	20th June, 2018
(f) Amount paid as advance, if any	Nil

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN: 00055972

Kolkata
20th July, 2022

THE NAIHATI JUTE MILLS COMPANY LIMITED

ANNEXURE – B TO DIRECTORS’ REPORT

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

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

(A) Conservation of energy	
(i) The steps taken or impact on conservation of energy	Following steps taken for conservation of energy have reduced consumption of energy: 1) Installation of energy efficient motors in spinning department. 2) Regular monitoring of steam, boiler and compressor to minimize losses 3) Proper utilisation of capacitors on respective areas
(ii) The steps taken by the company for utilising alternate sources of energy	The Company is using jute caddies in place of coal for steam generation.
(iii) The capital investment on energy conservation equipments	No capital investment on energy conservation equipment was made during the year under review. The aforesaid electrical items procured during the year were consumable in nature.
(B) Technology absorption	
(i) The efforts made towards technology absorption	The Company is making continuous efforts in installing high productive machines by keeping track of latest development.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	Improvement of operational efficiency and in quality.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) the details of technology imported b) the year of import c) whether the technology been fully absorbed d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	No technology has been imported during the last three years.
(iv) The expenditure incurred on Research and Development	The Company does not have in-house Research and Development facility and no expenditure has been incurred in this regard.
(C) Foreign Exchange Earnings and outgo	
(i) Foreign Exchange earned in terms of actual inflows	₹ 220.66 lakhs
(ii) Foreign Exchange outgo in terms of actual outflows	₹ 498.23 lakhs

For and on behalf of the Board

Kolkata
20th July, 2022

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN: 00055972

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Members of

THE NAIHATI JUTE MILLS COMPANY LIMITED

Report on the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of **THE NAIHATI JUTE MILLS COMPANY LIMITED** (*'the Company'*) which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 (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, 2022, and its profit and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- 3.1 *Provision for accrued liability of gratuity of existing employees amounting to ₹1,400.31 lakhs (Previous Year ₹1,360.67 lakhs) as per actuarial valuation has not been made by the Company which constitutes a departure from the Accounting Standard 15, 'Retirement Benefits' referred to in Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) [Refer Note 27(ii)].*
- 3.2 *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(h)].*
- 3.3 *Non-provision of interest on loan from WBIDC amounting to ₹275.75 lakhs (Previous Year ₹265.47 lakhs) [Refer Note 4(h)].*

Accordingly without considering the observations made in paragraph 3.2 above where the effect is not ascertainable, had the observations made by us in paragraphs 3.1 to 3.3 been considered, the profit for the year would have been lower by ₹1,676.06 lakhs with corresponding effect on the shareholders fund and the current assets.

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

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

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT *(contd.)*

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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT (contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The financial statements dealt with by this Report are in agreement with the books of account;
 - d. *except for the effect of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);*
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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) with reference to the financial statements of the Company as on 31st March, 2022 and operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

THE NAIHATI JUTE MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT *(contd.)*

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

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations, other than those disclosed in the financial statements which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to any person(s) or entity(ies), including foreign entity(ies) ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The Board of Directors of the Company has proposed dividend for the year ended 31st March, 2022, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

FOR B CHHAWCHHARIA & CO.
Chartered Accountants
Firm's Registration No.: 305123E
KSHITIZ CHHAWCHHARIA
Partner
Membership No.:061087
UDIN:22061087ANIYJM6131

Place: Kolkata
Date: 20th July, 2022

INDEPENDENT AUDITOR'S REPORT (contd.)

Annexure 'A' to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report of even date to the members of The Naihati Jute Mills Company Limited, on the financial statements for the year ended 31st March, 2022.

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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
(B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
(b) The Company has a working capital limit in excess of ₹5 crore sanctioned by bank based on the security of current assets during the year. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such bank and such returns/statements are in agreement with the books of accounts of the Company for the respective periods.
- (iii) The Company, during the year, has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (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.
- (vi) The Central Government has prescribed maintenance of cost records under Section 148(1) of the Act for the Company. We have broadly reviewed such accounts and records and are of the opinion that,

THE NAIHATI JUTE MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (contd.)

prima facie, the prescribed accounts and records have been made and maintained but no detailed examination of such records and accounts have been carried out by us.

- (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 goods and services tax, 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) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount in lakhs
Employees State Insurance Act, 1948	ESI	The Employees' Insurance Court	July,1973 – November,1975, January,1985 - June,1986, 1990-91, 1992-93, 1993-94, 1997-98 to 1999-2000	23.29(*)

(*) A sum of ₹3.17 lakhs was paid against it.

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender or bank during the year.
- (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and/or other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully/partially/optionally convertible

INDEPENDENT AUDITOR'S REPORT *(contd.)*

debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
 - (b) No report under Section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
 - (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Accounting Standard (AS) 18, Related Party Disclosures specified in Companies (Accounting Standards) Rules, 2021 as prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under Section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the Company is not a Core Investment Company as defined in the regulation made by the Reserve Bank of India. Accordingly, the provisions of clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

THE NAIHATI JUTE MILLS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT *(contd.)*

- (xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xx) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

FOR B CHHAWCHHARIA & CO.
Chartered Accountants
Firm's Registration No.: 305123E
KSHITIZ CHHAWCHHARIA
Partner
Membership No.:061087
UDIN:22061087ANIYJM6131

Place: Kolkata

Date: 20th July, 2022

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, 2022, we have audited the Internal Financial Controls over Financial Reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

INDEPENDENT AUDITOR'S REPORT (contd.)

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI.

Place: Kolkata
Date: 20th July, 2022

FOR B CHHAWCHHARIA & CO.
Chartered Accountants
Firm's Registration No.: 305123E
KSHITIZ CHHAWCHHARIA
Partner
Membership No.:061087
UDIN:22061087ANIYJM6131

THE NAIHATI JUTE MILLS COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ in lakhs)

Particulars	Note	As at 31-03-2022	As at 31-03-2021	
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Share Capital	2	214.49	214.49	
(b) Reserves and Surplus	3	<u>7,628.65</u>	<u>7,843.14</u>	7,641.21
Non-current Liabilities				
(a) Long-term Borrowings	4	398.56	252.81	
(b) Deferred Tax Liabilities (net)	5	2.62	5.25	
(c) Long-term Provisions	6	<u>113.22</u>	<u>514.40</u>	378.23
Current Liabilities				
(a) Short-term Borrowings	7	1,052.88	1,149.97	
(b) Trade Payables	8			
- Total outstanding dues of Micro and Small Enterprises		29.71	29.88	
- Total outstanding dues creditors other than Micro and Small Enterprises		448.33	1,125.31	
(c) Other Current Liabilities	9	1,459.42	1,501.91	
(d) Short-term Provisions	6	<u>327.97</u>	<u>3,318.31</u>	4,169.38
Total Equity And Liabilities			<u>11,675.85</u>	<u>12,188.82</u>
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment and Intangible Assets	10			
-Property, Plant and Equipment		6,721.19	6,638.51	
-Intangible Assets		5.79	7.49	
-Intangible Assets under development		5.25	3.25	
		<u>6,732.23</u>	<u>6,649.25</u>	
(b) Non-current Investments	11	0.10	0.10	
(c) Long-term Loans and Advances	12	14.65	4.07	
(d) Other Non-current Assets	13	<u>8.93</u>	<u>6,755.91</u>	6,662.35
Current Assets				
(a) Inventories	14	3,951.04	3,736.23	
(b) Trade Receivables	15	821.42	1,615.76	
(c) Cash and Cash Equivalents	16	32.81	28.56	
(d) Short-term Loans and Advances	12	114.58	139.34	
(e) Other Current Assets	17	<u>0.09</u>	<u>4,919.94</u>	5,526.47
Total Assets			<u>11,675.85</u>	<u>12,188.82</u>
Significant Accounting Policies and Notes to Financial Statements	1 to 40			

As per our Report of even date
For B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No. 305123E
KSHITIZ CHHAWCHHARIA
Partner
Membership No. 061087
UDIN:22061087ANIYJM6131
Place: Kolkata
Date: 20th July, 2022

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

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022 (₹ in lakhs)

Particulars	Note	2021-22	2020-21
I. Revenue from Operations	18	20,475.18	22,180.48
II. Other Income	19	133.05	114.40
III. Total Income (I + II)		20,608.23	22,294.88
IV. Expenses			
(a) Cost of Materials Consumed	20	13,952.69	13,950.23
(b) Change in Inventories of Finished Goods and Work-in-Progress	21	(875.00)	(214.07)
(c) Employee Benefits Expense	22	4,800.33	5,817.88
(d) Finance Cost	23	94.32	100.68
(e) Depreciation and Amortization Expense	10	171.34	189.08
(f) Other Expenses	24	2,191.20	2,413.79
Total Expenses		20,334.88	22,257.59
V Profit before Tax (III - IV)		273.35	37.29
VI Tax Expenses			
(a) Current Tax		72.50	31.00
(b) Earlier Year tax		1.55	3.62
(b) Deferred Tax		(2.63)	(25.21)
VII Profit for the Year (V-VI)		201.93	27.88
VIII Earning per Ordinary Share (Face value of ₹100)	31		
(a) Basic		94.15	13.00
(b) Diluted		94.15	13.00
Significant Accounting Policies and Notes to Financial Statements	1 to 40		

As per our Report of even date
For B. CHHAWCHHARIA & CO.
Chartered Accountants
Firm Registration No. 305123E
KSHITIZ CHHAWCHHARIA
Partner
Membership No. 061087
UDIN:22061087ANIYJM6131
Place: Kolkata
Date: 20th July, 2022

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

For and on behalf of the Board

JUGAL KISHORE BHAGAT
Chairman and Managing Director
DIN: 00055972

THE NAIHATI JUTE MILLS COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in lakhs)

	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary items	273.35	37.29
Adjusted for		
-Depreciation	171.34	189.09
-Interest Income	(3.41)	(1.08)
-Finance Cost	94.32	100.68
-Liability no longer required written back	(53.29)	63.53
-Profit on sale of Fixed Assets	(36.26)	(10.98)
Operating Profit before Working Capital changes	446.05	378.52
Adjusted for		
Changes in Working Capital		
-Trade and Other Receivables	820.12	90.07
-Inventories	(214.81)	(229.89)
-Trade Payables and other current liabilities	(707.63)	(167.26)
Cash generated from Operations	343.73	71.45
-Income Tax paid (net of refund)	(73.67)	(27.75)
Net Cash flow from Operating Activities (A)	270.06	43.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
-Purchase of Fixed Assets	(259.86)	(50.39)
-Sale of Fixed Assets	36.30	11.44
-Interest Received	3.41	1.08
Net Cash used in Investing Activities (B)	(220.15)	(37.87)
C. CASH FLOW FROM FINANCING ACTIVITIES		
-Proceeds /(Repayment) of Long-term Borrowings	145.75	307.57
-Proceeds /(Repayment) of Short-term Borrowings	(97.09)	(222.19)
-Interest Paid	(94.32)	(100.68)
-Redemption of Preference Shares	-	(16.00)
Net Cash from Financing Activities (C)	(45.66)	(31.29)
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	4.25	(25.47)
Cash and Cash Equivalents at the beginning of the year	28.56	54.02
Cash and Cash Equivalents at the end of the year	32.81	28.56

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.

As per our Report of even date

For B. CHHAWCHHARIA & CO.

Chartered Accountants

Firm Registration No. 305123E

KSHITIZ CHHAWCHHARIA

Partner

Membership No. 061087

UDIN:22061087ANIYJM6131

Place: Kolkata

Date: 20th July, 2022

RAVI BHAGAT

Chief Executive Officer

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For and on behalf of the Board

JUGAL KISHORE BHAGAT

Chairman and Managing Director

DIN: 00055972

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

(i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

(ii) USE OF ESTIMATES

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

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

Property, Plant and Equipment

(a) Recognition

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

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

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

(b) Depreciation

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

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

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

(iv) IMPAIRMENT OF ASSETS

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

(v) CAPITAL WORK-IN-PROGRESS

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

(vi) INTANGIBLE ASSETS

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

(vii) GOVERNMENT GRANTS

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

(viii) NON-CURRENT/LONG-TERM INVESTMENT

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

(ix) INVENTORIES

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

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

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

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

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

(x) REVENUE RECOGNITION

Sale of Goods

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

Export Incentive accounted on the basis of accrual.

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

Other Income

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

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

(xi) EMPLOYEE BENEFITS

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

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

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

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

(xii) FOREIGN CURRENCY TRANSACTIONS

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

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

(xiii) CLAIMS

Insurance claims are accounted for on settlement thereof.

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

(xiv) BORROWING COSTS

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

(xv) TAXATION

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

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(xvi) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

(xvii) EARNINGS PER SHARE

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

	As at 31-03-2022	As at 31-03-2021
2 SHARE CAPITAL		
Capital Structure		
Authorized		
479,989 (479,989) Ordinary Shares of ₹100 each	479.99	479.99
70,000 (70,000) Preference Shares of ₹100 each	70.00	70.00
	<u>549.99</u>	<u>549.99</u>
Issued, Subscribed and Fully Paid-up		
214,489 (214,489) Ordinary Shares of ₹100 each	<u>214.49</u>	214.49
Share Capital Reconciliation		
Ordinary Share Capital		
Balance at the beginning of the reporting period	214.49	214.49
Changes in Ordinary Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Change in Ordinary Share Capital during the current year	-	-
Balance at the end of the reporting period	<u>214.49</u>	<u>214.49</u>
Preference Shares		
At the beginning of the year	-	10.00
Issued during the year	-	-
Redeemed during the year	-	10.00
Outstanding at the end of the year	<u>-</u>	<u>-</u>

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

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

	As at 31-03-2022		As at 31-03-2021	
	No.	% of holding in the class	No.	% of holding in the class
Ordinary Shares of ₹100 each fully paid-up				
Jugal Kishore Bhagat	12,825	5.98	12,825	5.98
Ravi Bhagat	20,110	9.37	20,110	9.37
Ashutosh Bhagat	21,324	9.94	21,324	9.94
Rita Bhagat	39,958	18.63	39,958	18.63
Vinita Bhagat	47,567	22.17	47,567	22.17
Archita Bhagat	48,353	22.54	48,353	22.54

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

Promoter Name	As at 31-03-2022			As at 31-03-2021		
	No. of Shares	% of total Shares	% Change during the year	No. of Shares	% of total Shares	% Change during the year
Jugal Kishore Bhagat	12,825	5.98	–	12,825	5.98	–
Ravi Bhagat	20,110	9.37	–	20,110	9.37	–
Ashutosh Bhagat	21,324	9.94	–	21,324	9.94	–
Rita Bhagat	39,958	18.63	–	39,958	18.63	–
Vinita Bhagat	47,567	22.17	–	47,567	22.17	–
Archita Bhagat	48,353	22.54	–	48,353	22.54	–
Jugal Kishore Bhagat HUF	6,000	0.03	–	6,000	0.03	–
Bhagat Refineries & Chemicals Private Limited	7,795	0.04	–	7,795	0.04	–

Rights, Preferences and Restrictions attached to shares

Ordinary Shares

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

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

Preference Shares

The Company has redeemed its Preference Shares on the date of redemption on 20th January, 2021 at a premium of ₹60 per share as per terms of its issue. This has resulted in a total cash outflow of ₹16.00 lakhs, out of which nominal amount of shares of ₹10.00 lakhs has been utilized from Capital Redemption Reserve and the premium amount of ₹6.00 lakhs has been utilized from Securities Premium Reserve. Consequent to such redemption, the issued, subscribed and paid-up Preference Share Capital became nil.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

	As at 31-03-2022	As at 31-03-2021
3 RESERVES AND SURPLUS		
Capital Reserve		
Others (details not available)	5.67	5.67
Securities Premium Reserve	34.00	40.00
Less : Premium on redemption on Preference Shares	-	6.00
	<u>34.00</u>	<u>34.00</u>
Revaluation Reserve	5,791.73	5,791.73
General Reserve	52.50	42.50
Add: Transfer from Capital Redemption Reserve	-	10.00
Balance at the end of the year	<u>52.50</u>	<u>52.50</u>
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	1,542.82	1,514.94
Add: Profit for the year	201.93	27.88
Balance at the end of the year	<u>1,744.75</u>	<u>1,542.82</u>
	<u>7,628.65</u>	<u>7,426.72</u>

The Board of Directors of the Company has proposed a dividend on Ordinary Shares for ₹21.45 lakhs for the year ended 31st March, 2022, subject to approval of Shareholders at the ensuing Annual General Meeting. If approved, the dividend would result in cash outflow of ₹21.45 lakhs

	Non-current portion		Current maturities	
	As at 31-03-2022	As at 31-03-2021	As at 31-03-2022	As at 31-03-2021
4 LONG-TERM BORROWINGS				
Secured Loans				
From Banks				
Rupee Term Loan	122.87	12.33	44.34	37.14
Rupee Demand Loan	2.87	66.67	81.28	83.33
Rupee Vehicle Loan	-	1.33	1.57	8.14
Rupee Working Capital Term Loan	272.82	172.48	68.99	34.50
From Government of West Bengal				
Loan for payment of sales tax and raw jute tax dues (through WBIDC)	-	-	171.30	171.30
	<u>398.56</u>	252.81	<u>367.48</u>	334.41
Amount disclosed under the head 'Short-Term Borrowings' (Refer Note 7)	-	-	367.48	334.41
	<u>398.56</u>	252.81	-	-

Security

Rupee Term Loan of ₹167.21 lakhs from Bank is secured by specific machineries purchased out of the loan and collaterally secured by Land and Building, other block assets and guaranteed by Bansidhar Ghanshyamdass.

Rupee Demand Loan of ₹84.15 lakhs from Bank is secured by hypothecation of stock of raw jute, jute goods, stores and spares, goods-in-transit, book-debt and collaterally secured by second charge on fixed assets by way of equitable mortgage and guaranteed by Messrs Bansidhar Ghanshyamdass.

Rupee Vehicle Loans of ₹1.57 lakhs from Bank is secured by hypothecation of specific vehicles being financed.

Rupee Working Capital Term Loans of ₹341.81 lakhs from Bank is secured by hypothecation of stock of raw jute, jute goods, stores and spares, goods-in-transit, book-debt and collaterally secured by second charge on fixed assets by way of equitable mortgage and guaranteed by National Credit Guarantee Trustee Company.

Loan of ₹274.14 lakhs (including interest upto March, 2000 ₹102.84 lakhs - Refer Note 9) are secured by residual charge on all the fixed assets of the Company subject to the charge in favour of financial institutions, banks and others.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

Repayment Terms

Particulars	No. of Instalments	Amount of Instalment	Maturity date	Interest
a) Rupee Term Loan of ₹9.22 lakhs from Punjab National Bank	3 Monthly	Principal- ₹3.10 lakhs	30-06-2022	RLLR+3.15%-1.00%
b) Rupee Term Loan of ₹158.00 lakhs from Punjab National Bank	36 Monthly	Principal- ₹4.39 lakhs	31-07-2025	RLLR+3.15%-1.00%
c) Rupee Demand Loan of ₹84.15 lakhs from Punjab National Bank	13 Monthly	EMI - ₹6.77 lakhs	30-04-2023	1year MCLR + 0.50%
d) Rupee Vehicle Loan of ₹0.19 lakhs from Punjab National Bank	1 Monthly	EMI- ₹0.19 lakhs	30-04-2022	9.05%
e) Rupee Vehicle Loan of ₹ 1.38 lakhs from Punjab National Bank	7 Monthly	EMI- ₹0.22 lakhs	31-10-2022	8.55%
f) Rupee Working Capital Term Loan of ₹159.81 lakhs from Punjab National Bank	28 Monthly	Principal- ₹5.75 lakhs	31-07-2024	RLLR+0.85%
g) Rupee Working Capital Term Loan of ₹182.00 lakhs from Punjab National Bank	36 Monthly	Principal- ₹5.06 lakhs	31-10-2026	RLLR+0.85%
h) Loan from Government of West Bengal (through WBIDC) - (i) Loan with interest upto March, 2000 amounting to ₹274.14 lakhs was repayable in 24 quarterly instalments commencing from June, 2001, (ii) Further interest (net of rebate) from April, 2000 to March, 2022 amounting to ₹275.75 lakhs (including ₹10.28 lakhs for current year) remains unprovided, and (iii) Penal interest, additional interest and liquidated damages (amount unascertainable) also remains unprovided; and all remain unpaid, since Company's request for settlement of loan as well as waiver of interest, additional interest, penal interest and liquidated damages is pending since long.				

As at	As at
31-03-2022	31-03-2021

5 DEFERRED TAX LIABILITIES (net)

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	58.24	58.24
Tax impact of expenses claimed under tax laws but charge to the Statement of Profit and Loss deferred	1.94	4.57
	60.18	62.81

Deferred Tax Assets

Tax impact of expenses charged to the Statement of Profit and Loss but allowance under tax laws deferred	57.56	57.56
Net Deferred Tax Liabilities/(Assets)	2.62	5.25

Long-term		Short-term	
As at	As at	As at	As at
31-03-2022	31-03-2021	31-03-2022	31-03-2021

6 PROVISIONS

Provision for Employee Benefits

For Bonus	-	-	300.71	333.61
For Leave Benefits	113.22	120.17	27.26	28.70
	113.22	120.17	327.97	362.31

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

	As at 31-03-2022	As at 31-03-2021
7 SHORT-TERM BORROWINGS		
From Bank (secured) :		
Working Capital Loan	685.40	533.56
Packing Credit	-	282.00
Current maturities of Long-term debts (Refer Note 4)	<u>367.48</u>	<u>334.41</u>
	<u>1,052.88</u>	<u>1,149.97</u>

Working Capital Loans and Packing Credit from Bank are secured by hypothecation of stock of raw jute, jute goods, stores and spares, goods-in-transit, book-debt and collaterally secured by second charge on fixed assets by way of equitable mortgage and guaranteed by Bansidhar Ghanshyamdass.

8 TRADE PAYABLES

For Goods and Services received in the ordinary course of business

Particulars	Outstanding for following periods from date of transaction				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
For the year ended 31st March, 2022					
(i) MSME	29.71	-	-	-	29.71
(ii) Others	425.91	14.00	8.42	-	448.33
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed - Other	-	-	-	-	-
For the year ended 31st March, 2021					
(i) MSME	29.88	-	-	-	29.88
(ii) Others	1116.89	8.42	-	-	1125.31
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed - Other	-	-	-	-	-

	As at 31-03-2022	As at 31-03-2021
9 OTHER CURRENT LIABILITIES		
Interest accrued and due on Borrowings (WBIDC)	102.84	102.84
Advance from Customers	31.50	64.77
Statutory Dues	83.74	76.52
Other Payables (includes provision for outstanding liabilities and expenses, unclaimed employee benefits and other expenses payable)	<u>1,241.34</u>	<u>1,257.78</u>
	<u>1,459.42</u>	<u>1,501.91</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

10. PROPERTY, PLANT AND EQUIPMENTS

(₹ in lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01-04-2021	Additions	Deductions and/or Adjustments	Total as at 31-03-2022	Up to 31-03-2021	During the year	Deductions and/or Adjustments	Up to 31-03-2022	As at 31-03-2022	As at 31-03-2021
Land	5,693.67	-	-	5,693.67	-	-	-	-	5,693.67	5,693.67
Buildings	432.27	-	-	432.27	357.45	5.02	-	362.47	69.80	74.82
Plant and Machinery	3,128.97	246.69	16.67	3,358.99	2,346.88	138.04	16.63	2,468.29	890.70	782.09
Diesel Generating Sets	130.70	-	-	130.70	123.44	0.42	-	123.86	6.84	7.26
Engines and Boilers	50.52	-	-	50.52	48.22	0.00	-	48.22	2.30	2.30
Sprinkler Installation	9.17	-	-	9.17	9.17	0.00	-	9.17	-	-
Electrical Installation	228.70	-	-	228.70	217.08	0.51	-	217.59	11.11	11.62
Railway Siding	2.75	-	-	2.75	2.75	0.00	-	2.75	-	-
Tubewell Installation	19.69	-	-	19.69	18.71	0.00	-	18.71	0.98	0.98
Jetty	10.20	-	-	10.20	10.20	0.00	-	10.20	-	-
Furniture and Fittings	47.22	2.17	-	49.39	39.88	1.83	-	41.71	7.68	7.35
Vehicles	123.12	-	-	123.12	87.37	14.04	-	101.41	21.71	35.75
Office Machinery, Equipments, Airconditioners and Refrigerators	174.76	3.50	-	178.26	155.57	9.15	-	164.72	13.54	19.19
Weighing Machines	21.32	-	-	21.32	17.85	0.62	-	18.47	2.85	3.47
TOTAL	10,073.07	252.36	16.67	10,308.76	3,434.56	169.64	16.63	3,587.57	6,721.19	6,638.51
Intangible Assets										
Computer Software	21.94	-	-	21.94	14.45	1.70	0.00	16.15	5.79	7.49
TOTAL	10,095.01	252.36	16.67	10,330.70	3,449.02	171.34	16.63	3,603.72	6,726.98	6,646.00
Previous Year Figures	10,031.60	76.69	13.28	10,095.01	3,272.75	189.09	12.83	3,449.01	6,646.00	

Plant and Machinery includes ₹1.31 lakhs (Previous Year-Nil) as Borrowing cost.

There is no addition in the Gross Block through Business Combination and Revaluation of Assets.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

Intangible Assets under development ageing schedule

As at 31-03-2022

Particulars	Amount in Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.00	3.25	0.00	0.00	5.25
Projects temporarily suspended	-	-	-	-	-

As at 31-03-2021

Particulars	Amount in Intangible Assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	3.25	0.00	0.00	3.25
Projects temporarily suspended	-	-	-	-	-

As at 31-03-2022 As at 31-03-2021

11 NON-CURRENT INVESTMENTS

Other Investments (valued at cost) - Unquoted

Investment in Debentures

5% Non-redeemable Debenture Stock, 1957 of

Woodland Hospital & Medical Research Centre Limited

	0.10	0.10
	0.10	0.10

As at 31-03-2022 As at 31-03-2021 As at 31-03-2022 As at 31-03-2021

12 LOANS AND ADVANCES

Unsecured, Considered Good

Capital Advances 5.50 - - -

Others

Advances recoverable in cash or in kind or for value to be received 1.89 0.65 64.32 36.58

Prepaid Expenses 7.26 3.42 8.27 8.13

Advance tax and TDS (net of provision) - - 22.46 22.86

Balance with Statutory Government Authorities - - 19.53 71.77

14.65 4.07 114.58 139.34

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

13 OTHER NON-CURRENT ASSETS

Security Deposit	8.93	8.93
	8.93	8.93

14 INVENTORIES

(as taken, valued and certified by the management)

Raw Material 1,198.34 1,873.96

Work-in-Progress 976.22 953.73

Finished Goods 1,590.27 737.77

Stores and Spare Parts 186.21 170.77

3,951.04 3,736.23

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

	As at 31-03-2022	As at 31-03-2021
Details of Raw Material		
Raw Jute	1,166.26	1,842.70
Batching Oil	16.64	14.67
Dyes and Chemicals	14.21	15.53
Caddies, Thread Waste etc.	1.23	1.06
	<u>1,198.34</u>	<u>1,873.96</u>

15 TRADE RECEIVABLES

Trade Receivables ageing schedule:

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
For the year ended 31st March, 2022						
(i) Undisputed - Considered Good	776.79	1.46	0.13	0.32	18.30	797.01
(ii) Undisputed - Significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed - Credit impaired	-	-	-	-	-	-
(iv) Disputed - Considered good	-	-	-	-	24.41	24.41
(v) Disputed - Significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed - Credit impaired	-	-	-	-	-	-
						<u>821.42</u>
For the year ended 31st March, 2021						
(i) Undisputed - Considered Good	1553.73	9.93	0.76	3.25	23.68	1,591.35
(ii) Undisputed - Significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed - Credit impaired	-	-	-	-	-	-
(iv) Disputed - Considered good	-	-	-	-	24.41	24.41
(v) Disputed - Significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed - Credit impaired	-	-	-	-	-	-
						<u>1,615.76</u>
	As at 31-03-2022	As at 31-03-2021				

16 CASH AND CASH EQUIVALENTS

Balances with Banks in Current Account	3.44	4.01
Cash on hand	29.37	24.55
	<u>32.81</u>	<u>28.56</u>

17 OTHER CURRENT ASSETS

Interest Receivable	0.09	0.09
Duty Draw Back Receivable	-	6.49
	<u>0.09</u>	<u>6.58</u>

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

	2021-2022	2020-2021
18 REVENUE FROM OPERATIONS		
Sale of Products		
Finished Goods	<u>20,291.47</u>	<u>22,079.38</u>
Other Operating Revenue		
By-products	22.38	15.85
Sale of Raw Jute	131.82	-
Export Incentives	3.35	17.02
Sale of MEIS/RoDTEP Licenses	<u>26.16</u>	<u>68.23</u>
	<u>183.71</u>	<u>101.10</u>
	<u>20,475.18</u>	<u>22,180.48</u>
19 OTHER INCOME		
Interest Income	3.41	1.08
Foreign Exchange Fluctuations	6.22	17.12
Liability no longer required	53.29	63.53
Profit on sale of Fixed Assets	36.26	10.98
Other Miscellaneous Income	<u>33.87</u>	<u>21.69</u>
	<u>133.05</u>	<u>114.40</u>
20 COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	1,873.96	1,865.08
Add: Purchases less returns	13,277.07	13,959.11
Less: Inventory at the end of the year	<u>1,198.34</u>	<u>1,873.96</u>
	<u>13,952.69</u>	<u>13,950.23</u>
- Includes cost of Raw Jute sold ₹74.47 lakhs		
21 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK- IN- PROGRESS		
Inventory at the beginning of the year		
Finished Goods	737.76	737.27
Work-in-Progress	<u>953.73</u>	<u>740.15</u>
	<u>1,691.49</u>	<u>1,477.42</u>
Inventory at the end of the year		
Finished Goods	1,590.27	737.76
Work-in-Progress	<u>976.22</u>	<u>953.73</u>
	<u>2,566.49</u>	<u>1,691.49</u>
	<u>(875.00)</u>	<u>(214.07)</u>
22 EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Bonus etc.	4,334.23	5,278.93
Contribution to Provident and Other Funds	436.21	510.84
Staff Welfare Expenses	<u>29.89</u>	<u>28.11</u>
	<u>4,800.33</u>	<u>5,817.88</u>
23 FINANCE COST		
Interest Expenses	82.03	88.25
Other Borrowing Costs	<u>12.29</u>	<u>12.43</u>
	<u>94.32</u>	<u>100.68</u>

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

	2021-2022	2020-2021
24 OTHER EXPENSES		
Consumption of Stores and Spare Parts	477.57	521.21
Bleaching, Processing and Printing Expenses	494.99	433.06
Power and Fuel	846.38	1,001.31
Rent	5.15	5.15
Repairs and Maintenance		
Plant and Machinery	25.41	21.76
Building	18.63	33.37
Others	49.61	51.92
Insurance	17.16	29.37
Rates and Taxes	35.10	56.68
Freight and Delivery Charges	48.31	104.27
Brokerage on Sales	30.35	36.17
Payment to Auditors		
For Statutory Audit	6.50	6.50
For Tax Audit	1.15	1.00
For Others Services	0.15	0.09
Internal Audit	2.00	2.00
Cost Audit	0.25	0.25
Directors' Fee	1.02	0.81
Professional and Consultancy Charges	30.21	25.57
Travelling Expenses	22.56	3.44
Miscellaneous Expenses	78.70	79.86
	<u>2,191.20</u>	<u>2,413.79</u>

25 Contingent Liabilities not provided for in respect of:

- (a) Additional demand of Employees State Insurance for the years July, 1973-Nov, 1975, 27-01-1985 to June, 1986, 1990-91, 1992-93, 1993-94 and 1997-98 to 1999-2000 amounting to ₹**23.29 lakhs** (amount deposited ₹**3.17 lakhs** their against) (same in previous year) against which Company's appeals are pending.
- (b) Bills discounted with bank remaining outstanding at the year-end amounting to **Nil** (₹503.59 lakhs).
- (c) Additional tax demand of ₹**18.37 lakhs** (₹18.37 lakhs) relating to land revenue against which the Company's writ petition is pending before High Court.

26 Estimated amount of contracts remaining to be executed on capital account and not provided (net of advance) – ₹**23.02 lakhs**(₹ NIL).

27 (i) The accrued and due liability of gratuity of employees retired/resigned during the year amounting to ₹**29.47 lakhs** (₹84.32 lakhs) net of payment of ₹**91.99 lakhs** (₹132.68 lakhs) 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, 2022 for future payments under the Payment of Gratuity Act, 1972 determined as per actuarial valuation amounts to ₹**1,400.31 lakhs** (₹1,360.67 lakhs).

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

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	307.10	(376.49)
Employer's Contribution to ESIC Scheme	98.19	(128.54)

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.

	Gratuity (Partially funded)	
(A)	Current Year	Previous Year
a) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	2,499.59	2,480.17
Current Service Cost	218.81	223.09
Interest Cost	172.47	173.61
Actuarial (gain)/loss	(198.78)	(106.59)
Benefits (paid)	(125.21)	(270.69)
Defined Benefit Obligation at the year end	2,566.87	2,499.59
b) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	1,138.91	1,156.89
Expected return on Plan Assets	76.35	74.66
Employer's contribution	60.38	90.12
Actuarial gain/(loss) on Plan Assets	16.13	87.93
Benefits paid	(125.21)	(270.69)
Fair value of Plan Assets at year end	1,166.56	1,138.91
c) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	1,166.56	1,138.91
Present value of Obligation	2,566.87	2,499.59
Amount recognised in Balance Sheet (gratuity to the extent of ₹1,400.31 lakhs remains unprovided)	1,166.56	1,138.91
d) Expenses recognized during the year		
Amount provided and contributed to Group Gratuity Scheme	30.92	5.80
e) Actuarial assumptions		
Mortality Table	2012-14 (Indian Assured Lives)	2012-14 (Indian Assured Lives)
Discount rate (per annum) compounded	7.10%	6.90%
Rate of escalation in salary (per annum)	6.00%	6.00%

Gratuity (Funded)					
	2021-22	2020-21	2019-20	2018-19	2017-18
Defined Benefit Obligation at the end of the year	2,566.87	2,499.59	2,480.17	2,301.87	2,224.71
Fair value of planned assets at the end of the year	1,166.56	1,138.91	1,156.89	1,214.96	1,282.10
Surplus/(Deficit)	(1,400.31)	(1,360.67)	(1,323.28)	(1,086.91)	(942.61)

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

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.

	Leave encashment (Unfunded)	
	Current Year	Previous Year
(B)		
a) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at the beginning of the year	148.87	177.78
Current Service Cost	70.87	204.70
Interest Cost	10.27	12.44
Actuarial (gain)/loss	(11.11)	(128.41)
Benefits (paid)	(100.65)	(117.64)
Defined Benefit Obligation at the year end	140.48	148.87
b) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Employer's contribution	(100.65)	(117.64)
Actuarial gain/(loss) on Plan Assets	-	-
Benefits paid	(100.65)	(117.64)
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	140.48	148.87
Amount recognised in Balance Sheet	140.48	148.87
d) Expenses recognized during the year	(8.39)	28.91
e) Actuarial assumptions		
Mortality Table	2012-14 (Indian Assured Lives)	2012-14 (Indian Assured Lives)
Discount rate (per annum) compounded	7.10%	6.90%
Rate of escalation in salary (per annum)	6.00%	6.00%

The above information is certified by the Actuary.

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

	Particulars	Current year	Previous year
1	The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier		
	- Principal amount	29.71	29.88
	- Interest thereon	Nil	Nil
2	The interest paid by the buyer as above, along with the amount of payments made beyond the appointed date during each accounting year.	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payments which has been made beyond the appointed day (during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

(₹ in lakhs)

4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
5	The amount of further interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the Small / Micro Enterprises.	Nil	Nil

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

- 29** In the management’s perception, in accordance with Accounting Standard 17 on ‘Segment Reporting’ issued by The Institute of Chartered Accountants of India (ICAI), the Company has only one reportable segment namely ‘Jute Goods’.
- 30** Related Party Disclosures in accordance with the Accounting Standard 18 issued by ICAI are given below:

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

Key Managerial Personnel	Jugal Kishore Bhagat, Chairman and Managing Director Ravi Bhagat, Chief Executive Officer Ashutosh Bhagat, Joint Chief Executive Officer
Enterprises over which Key Management Personnel and/or relatives are able to exercise significant influence	Bansidhar Ghanshyamdass

- b. Transactions with related parties:

i)	Remuneration paid to Key Managerial Personnel	96.32 (76.53) 73.12 (58.56) 72.64 (56.54)	- Chairman and Managing Director - Chief Executive Officer - Joint Chief Executive Officer
ii)	Guarantee given by Banshidhar Ghanshyamdass		For facilities from Punjab National Bank

- c. Enterprises over which Key Management Personnel are able to exercise significant influence, but have no transaction during the year

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

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

31 Earning Per Share (EPS)

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

Particulars	2021-22	2020-21
Net profit after tax available for Ordinary Shareholders (₹)	201.93	27.88
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)	94.14	13.00

32 On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March, 2022.

33 In view of the recent surge in COVID-19 cases, the State Government reintroduced some restrictions which have temporarily disrupted the operations at its manufacturing plants including suspension of procurement of material, production, supply chain and availability of manpower. The Company is in compliance with the various guidelines issued. The management apart from considering the internal and external Information upto the date of approval of these financial statements, expects to recover the carrying amount of the assets. The Company will continue to closely monitor of any material change affecting the future economic position.

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

	Raw Material Consumed		Stores and Spare Parts Consumed	
	Value	%	Value	%
Imported	518.97 (748.22)	3.74 (5.36)	- (-)	- (-)
Indigenous	13,359.25 (13,202.01)	96.26 (94.64)	477.58 (521.21)	100.00 (100.00)

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

493.35
(288.17)

36 F.O.B. Value of Exports

220.66
(1,133.75)

37 Expenditure in Foreign Currency:
Travelling Expenses

4.88
(Nil)

38 Other Regulatory Information :

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with struck off companies.
- (iii) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (iv) The Company has not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (vii) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- (viii) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (ix) There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

39 Ratios : The followings are the analytical ratios:

Sl. No.	Particulars	Numerator	Denominator	Year ended 31-03-2022	Year ended 31-03-2021	Variance %
(i)	Current Ratio	Current Assets	Current Liabilities	1.48	1.33	11.94
(ii)	Debt Equity Ratio	Total debt	Shareholder's Equity	0.20	0.20	0.57
(iii)	Debt Service Coverage Ratio	Earning for Debts= Net profit after taxes+Non cash operating expenses like depreciation and other amortization +Interest	Debt Service= Interest+Principal Repayments	1.26	1.01	24.88
(iv)	Return on Equity Ratio*	Net Profit after taxes	Average Shareholder's Equity	2.61	0.37	613.72
(v)	Inventory turnover ratio	Sales	Average Inventory (Opening+Closing/2)	5.32	6.10	-12.82
(vi)	Trade Receivables turnover ratio	Net Sales	Average Trade Debtors (Opening+ Closing/2)	16.78	13.48	24.44
(vii)	Trade payables turnover ratio#	Net Purchase of raw material and stock in trade	Average Trade Payables (Opening+Closing/2)	17.09	11.41	49.77
(viii)	Net capital turnover ratio	Net Sales	Working capital= Current assets- Current liabilities	12.74	16.28	-21.78
(ix)	Net profit ratio*	Net Profit after taxes	Net Sales	0.99	0.13	682.61

THE NAIHATI JUTE MILLS COMPANY LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS (contd.)

Sl. No.	Particulars	Numerator	Denominator	Year ended 31-03-2022	Year ended 31-03-2021	Variance %
(x)	Return on Capital employed*	Earning before interest and tax (EBIT)	Capital Employed = (Equity +Debt + Accrued Interest)	3.91	1.51	159.38
(xi)	Return on investment	Profit after tax	Average Shareholder's equity	NA	NA	NA

* Govt. Order for staggering of production during lock-down period in the financial year 2020-21 had the adverse effect on the wage cost, whereas during financial year 2021-22 the mill could operate more normally, resulting in better results.

Due to improved results, the trade payable were resulted in a lower level.

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

As per our Report of even date
 For B. CHHAWCHHARIA & CO.
Chartered Accountants
 Firm Registration No. 305123E
 KSHITIZ CHHAWCHHARIA
Partner
 Membership No. 061087
 UDIN:22061087ANIYJM6131
 Place: Kolkata
 Date: 20th July, 2022

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

For and on behalf of the Board

 JUGAL KISHORE BHAGAT
Chairman and Managing Director
 DIN: 00055972

THE NAIHATI JUTE MILLS COMPANY LIMITED

CIN : U17119WB1905PLC001612

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

ATTENDANCE SLIP

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

Name of Member / Proxy / Authorised Representative

I hereby record my presence at the 117th Annual General Meeting of the Company being held on Tuesday, 20th September, 2022 at 03.00 P.M. at the Registered Office of the Company at 7, Hare Street, 4th Floor, Kolkata – 700 001

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

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

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THE NAIHATI JUTE MILLS COMPANY LIMITED

CIN : U17119WB1905PLC001612

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

PROXY FORM

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

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

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

- (1) Name Address
- Email Id : Signature or failing him
- (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 117th Annual General Meeting of the Company being held on Tuesday, 20th September, 2022 at 03.00P.M. at the Registered Office of the Company at 7, Hare Street, 4th Floor, Kolkata-700001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions No.	
1.	Adoption of Financial Statement for the year ended March 31, 2022
2.	Declaration of Dividend on Ordinary Shares.
3.	Appointment of Shri Shrish Tapuriah as a Director, liable to retire by rotation
4	Re-appointment of Shri Jugal Kishore Bhagat as Chairman and Managing Director for a further period of three years with effect from 1st October, 2022.
5	Ratification of remuneration to be paid to Messrs. D. Radhakrishnan & Co., Cost Accountants as Cost Auditors for financial year ended 31st March, 2023.

Signed this day of2022

Signature of Shareholder

Signature of Proxy holder

Affix
Revenue
Stamp

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

If undelivered, please return to :

THE NAIHATI JUTE MILLS COMPANY LIMITED

7, HARE STREET, 4TH FLOOR

KOLKATA - 700 001