

THE INDIA JUTE AND INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the 100th Annual General Meeting of the Members of THE INDIA JUTE AND INDUSTRIES LIMITED will be held on Thursday the 29th September, 2016 at 10-30 A.M. at 4A, Shree Ganesh Business Centre, 216, Acharya J.C. Bose Road, Kolkata – 700 017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2016, Profit & Loss Statement and Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Radhu Das who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of the Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** :

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder [including any statutory modification(s), re-enactment thereof for the time being in force], the appointment of M/s. Lodha & Co., Chartered Accountants, (Firm Registration No. 301051E) as Auditors of the Company at 98th Annual General Meeting (AGM) for a term of 3(three) years i.e. till the conclusion of 101st AGM, which was subject to ratification at every AGM, be and is hereby ratified and they shall hold office as Auditors from the conclusion of this AGM till the conclusion of next AGM of the Company, on such remuneration (plus applicable service tax and out of pocket expenses at actuals etc.) as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

By Order of the Board

(A. T. Jadhav)
Director

Registered Office
4A, Shree Ganesh Business Centre
216, Acharya J. C. Bose Road
Kolkata – 700 017

Dated : 7th July, 2016

NOTES :

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy(s) need not be a member. Proxies in order to be effective must be received by the Company at meeting Venue not less than 48 hours before the time of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September, 2016 to 29th September, 2016 (both days inclusive).
3. Members are requested to intimate the changes, if any, in their registered address.
4. Members are requested to bring their copies of the Annual Report to the Meeting.

The India Jute and Industries Limited

REPORT OF THE DIRECTORS

For the year ended 31st March, 2016

To,
The Members,

Your Directors are pleased to present the 100th Annual Report and the Company's audited financial statements for the Financial Year ended March 31, 2016.

Financial highlights of the Company

The highlights of the company's performance are as under :

Particulars	Amount in Rupees	
	Year ended 31.03.2016	Year ended 31.03.2015
Total Revenue	30,09,48,713	27,97,15,802
Profit before Interest, Depreciation & Exceptional Item	1,82,05,117	1,66,75,818
Less: Depreciation	14,60,569	14,96,631
Less: Interest	94,31,725	86,36,836
Profit before exceptional item	73,12,823	65,42,351
Exceptional Item	Nil	Nil
Profit before Taxation	73,12,823	65,42,351
Less: Provision for Taxation	Nil	Nil
Profit for the year	73,12,823	65,42,351
Balance brought forward from previous year	(15,22,36,977)	(15,92,64,827)
Balance Available for appropriation	(14,49,24,154)	(15,27,22,476)
Add: Transferred from Revaluation Reserve	64,826	4,85,499
Balance of Profit carried forward	(14,48,59,328)	(15,22,36,977)

DIVIDEND :

In absence of adequate profit and in view of past losses suffered by the company, the Board of Directors do not recommend any dividend for the year under review.

BUSINESS ACTIVITIES :

a) Textile Division

As reported last year, the company has entered into an agreement with M/s. Adinath Cotton & Synthetic Spinners Private Limited whereby the Synthetic & Cotton Yarn Manufacturing Unit is being run by them with entitlement to use all existing fixed assets and other equipment belonging to the company of such unit. The Company has started importing Acrylic Fibre and marketing Acrylic Yarn at its own with effect from October'2013 after processing the materials from Adinath Cotton & Synthetic Spinners Private Limited. The Company is contemplating to discontinue the Licensing Agreement with M/s Adinath Cotton & Synthetic Spinners Private Limited and to start operation of this Division at its own.

b) Fine Yarn & Carpet Division

Fine yarn and Carpet units were being run by bare licensing agreement with M/s. Vasundhara Texcom Private Limited. The Licensing agreement with Vasundhara Texcom Pvt. Ltd. has been terminated w.e.f. 01.05.2013 and the company has started operation of its Fine Yarn Division. Carpet Division of the company is under suspension of work.

The segment wise working results of the company are as follows:

	Amount in Rupees			
	Textile Division	Fine Yarn Division	Carpet Division	Total
Total Revenue	28,20,46,555	1,89,02,158	Nil	30,09,48,713
Segment Result	92,59,236	(-)17,10,852	(-)2,35,561	73,12,823

No material changes or commitments have occurred in the Company between the end of the financial year under review and the date of report.

No materials changes or commitments or any significant and material adverse orders or rulings passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future have occurred between the end of the financial year of the Company and the date of report.

INTERNAL FINANCIAL CONTROLS :

There are adequate internal financial controls commensurate with the size of the company and nature of business with reference to the financial statements

DEPOSITS :

Your Company has not accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and the Rules made thereunder and therefore, no amount of principal or interest was outstanding as on the date of Balance Sheet.

STATUTORY AUDITORS:

Messers Lodha & Co., Chartered Accountants, the Auditors of the Company retire and being eligible offer themselves for re-appointment. The certificate as required under Section 139 of the Companies Act, 2013, has been obtained.

AUDITOR'S REPORT

The Auditors' observations have been dealt with in the notes which are self-explanatory and do not call for further clarification.

ANNUAL RETURN :

The extract of the annual return in Form No. MGT – 9 shall form part of the Board's report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the annexure attached hereto and form part of the Director's Report.

DIRECTORS

Sri Radhu Das retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION:

The Board of Directors ascertains the integrity, qualification, expertise and experience of the person for appointment as Director and Key Managerial Personnel. The appointment of Directors requires approval of the Board and thereafter approval of the shareholders in general meeting.

The remuneration to the Directors and Key Managerial Personnel is Proposed by the Board Members in the Board Meeting and approval of Shareholders is obtained, if required.

The directors receive sitting fees for attending meeting of the Board.

ANNUAL EVALUATION :

The evaluation exercise was carried out in the year under review and the Independent Directors in their separate meeting evaluated the performance of the Managing Director and also carried out collective evaluation of the Board. The said evaluations were carried out on formal objectives based on parameters such as relevant industry experience, attendance at the meeting, participation in discussion, financial literacy, compliance awareness about applicable laws and interaction with Management team.

BOARD MEETINGS :**Number of meetings of the Board of Directors**

The Board of Directors met four times during the year under review.

LOANS, GUARANTEES OR INVESTMENTS :**Particulars of loans, guarantees or investments under section 186**

During the year under review, the company has neither given any loans or guarantees to other body corporates nor made any investments in other body corporate falling under section 186.

RELATED PARTIES:

During the year under review, the company has not entered into any contracts or arrangements with related parties referred to in sub-section (1) of section 188.

RISK MANAGEMENT POLICY :

Your Company has established a comprehensive Risk Management System to ensure and safe guard company's objectives. To mitigate risks, actions are identified that would assist to make the risk to an acceptable level. Monitoring and reporting process has been defined to update Board of Directors.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to requirement of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments 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) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board of Directors

Place : Kolkata

Date : 7th July, 2016

Bharat Kumar Jalan
Chairman

Form No. MGT-9**EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2016

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

I REGISTRATION AND OTHER DETAILS		
i)	CIN	L17119WB1916PLC002720
ii)	Registration Date	25/08/1916
iii)	Name of the Company	The India Jute and Industries Limited
iv)	Category / Sub-Category of the Company	Public Limited Company having Share Capital
v)	Address of the Registered office and contact details	4A, Shree Ganesh Business Centre, 216, Acharya J.C.Bose Road, Kolkata – 700 017, Phone-033-22871640
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Manufacturing and sale of Acrylic Yarn	13114	92.35%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
-----NIL-----					

e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	89225	89225	3.46%	-	89225	89225	3.46%	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	96966	96966	3.76%	-	89225	89225	3.46%	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	11625	11625	0.45%	-	11625	11625	0.45%	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	247170	247170	9.58%	-	247170	247170	9.58%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others - Foreign	-	1475	1475	0.06%	-	1475	1475	0.06%	-
Sub-total (B)(2):-	-	260270	260270	10.09%	-	260270	260270	10.09%	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	357236	357236	13.85%	-	357236	357236	13.85%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2580000	2580000	100.00%	-	2580000	2580000	100.00%	-

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Tolaram Jalan	260064	10.08%	-	260064	10.08%	-	-
2.	Mr. Bharat Kumar Jalan	32000	1.24%	-	32000	1.24%	-	-
3.	Mrs. Anuradha Jalan	159000	6.16%	-	159000	6.16%	-	-
4.	Tolaram & Son(HUF)	767200	29.74%	-	767200	29.74%	-	-
5.	Neha Amitesh Goenka	10000	0.39%	-	10000	0.39%	-	-
6.	Hindusthan Mercantile Ltd.	100000	3.88%	-	100000	3.88%	-	-
7.	Kunj Commercial Co. Ltd.	375000	14.53%	-	375000	14.53%	-	-
8.	Crown Investment Pvt. Ltd.	175000	6.78%	-	175000	6.78%	-	-
9.	T.M. Investment Co. Pvt. Ltd.	35000	1.36%	-	35000	1.36%	-	-
10.	A.D. Investment Co. Pvt. Ltd.	84000	3.26%	-	84000	3.26%	-	-
11.	Collieries India Ltd.	157500	6.10%	-	157500	6.10%	-	-
12.	Soorya Investment Co. Pvt. Ltd.	68000	2.64%	-	68000	2.64%	-	-
	Total	2222764	86.15%	-	2222764	86.15%	-	-

(iii) Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2222764	86.15%	2222764	86.15%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	2222764	86.15%	2222764	86.15%

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

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1.	Jayant Rasiklal Shah	8900	0.35%	8900	0.35%
2.	Mita Mehta	4300	0.17%	4300	0.17%
3.	Babu Bhagwan Das	3000	0.12%	3000	0.12%
4.	Anil Lodha	3000	0.12%	3000	0.12%
5.	Virendra Kr. Sanghvi	3000	0.12%	3000	0.12%
6.	Rohit Bhogilal Shah	3000	0.12%	3000	0.12%
7.	Atul Chabil Das Doshi	2900	0.11%	2900	0.11%
8.	Ramesh Kumar Kabra	2500	0.10%	2500	0.10%
9.	Ahmed Hussain	2250	0.09%	2250	0.09%
10.	M. Marcar	2000	0.08%	2000	0.08%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
1.	Mr. Bharat Kumar Jalan	32000	1.24%	32000	1.24%

V. INDEBTEDNESS

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

Amount in Rupees

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,01,99,144	6,59,13,000	Nil	12,61,12,144
ii) Interest due but not paid	69,55,133	26,41,390	Nil	95,96,523
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	6,71,54,277	6,85,54,390	Nil	13,57,08,667
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	10,46,069	7,77,791	Nil	18,23,860
Net Change	-10,46,069	-7,77,791	Nil	-18,23,860
Indebtedness at the end of the financial year:				
i) Principal Amount	6,01,99,144	6,09,13,000	Nil	12,11,12,144
ii) Interest due but not paid	59,09,064	68,63,599	Nil	1,27,72,663
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	6,61,08,208	6,77,76,599	Nil	13,38,84,807

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Amount in Rupees

Sl No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Mr. Bharat Kumar Jalan, MD	Mr. Aniruddh T.Jadhav, WTD	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000	2,85,300	11,85,300
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	48,431	48,431
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit	NIL	NIL	NIL
	- others	NIL	NIL	NIL
5.	Others	NIL	NIL	NIL
	Total (A)	9,00,000	3,33,731	12,33,731
	Ceiling as per the Act	10% of Net Profit of the Company for the Financial Year		

B. Remuneration to other directors:

Amount in Rupees

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Radhu Das		
1.	Independent Directors			
	(a) Fee for attending board meetings	900		900
	(b) Commission	-		-
	(c) Others	-		-
	Total (1)	900		900
2.	Independent Directors			
	(a) Fee for attending board meetings	-		-
	(b) Commission	-		-
	(c) Others	-		-
	Total (2)	-		-
	Total (B)=(1+2)	900		900
	Total Managerial Remuneration	900		900
	Overall Ceiling as per the Act	Sitting Fee not to exceed Rs.1,00,000/- per meeting for each Director		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	CFO
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify.	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY:					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		
B. DIRECTORS:					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		
C. OTHER OFFICERS IN DEFAULT:					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		

THE INDIA JUTE AND INDUSTRIES LIMITED

Annexure - 2

Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended 31st March, 2016.

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken :

The Company is taking effective steps for conservation of energy. To reduce energy cost various measures such as prevention of leakages, modification of electric lines and avoidance of idle running of motors have been initiated. Demand Controller has been installed to reduce energy cost by increasing Power Factor Rebate

b) Additional investments/proposals for reduction of consumption of energy :

Additional investments are proposed to be made in following areas :

- i) Better utilization of electric load.
- ii) Better utilization of natural light by providing suitable sky light arrangements.
- iii) Installation of static capacitors and its proper maintenance and
- iv) Higher H.P. motors to be replaced by suitable H.P. motors.

c) Impact of the measures : Will result in the overall economy.

B. TECHNOLOGY ABSORPTION:

New T.F.O. machine has been installed during the year under review. The company has also replaced old carding machines with high speed carding machines for improvement of quality of synthetic yarn.

For Textile Division we intend to purchase balancing machinery and doubling frames. In order to increase productivity, investment plan to replace old cotton division DJ5 Ring Frames machines with second hand G5/1 Ring Frames and purchase of second hand Auto Coner for quality production of single yarns.

Research & Development

R&D activities were oriented towards improvement in various operational functions and to achieve cost reduction.

C. FOREIGN EXCHANGE EARNING AND OUTGO:

There has been no foreign exchange earnings during the year. The foreign exchange outgo during the year amounting to Rs. 10,02,01,413 (Previous year Rs.11,94,50,829) on account of import of raw materials and Rs. 10,07,407 (Previous year Rs. 96,281) on account of travelling.

For and on behalf of the Board of Directors

Bharat Kumar Jalan
Chairman

Place : Kolkata
Dated: 7th July, 2016

INDEPENDENT AUDITORS' REPORT**To the Members of The India Jute and Industries Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of The India Jute and Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, a significant accounting policies and other notes for the year ended on that date.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an



adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

Attention is drawn to the following notes to the financial statement:

- a) Note no. 2.7.1 regarding non-provision of actuarially ascertained liability (to the extent identified and ascertained) for gratuity aggregating to Rs.1,94,63,299 (including Rs Nil for the year) in accordance with Accounting Standard-15 on "Employee Benefits". Consequentially profit for the year as on 31st March, 2016 is higher by Rs. 1,94,63,299;

Further the valuation of Gratuity from year ending 31st March 2012 & non-valuation of Liability for compensated absences on the actuarial valuation in accordance with the Revised Accounting Standard-15, the impact of which is presently not ascertainable.

- b) Note no. 2.3.2 regarding non-provision of liquidated damages aggregating to Rs. 9,04,91,904 (including Rs.61,90,975 for the year) on excise duty loan and penal interest etc. amounting to Rs. 26,76,709 (including Rs.1,62,757 for the year) on sales tax loan from West Bengal Industrial Development Corporation of India to the extent ascertained in accordance with Accounting Standard- 1 on "Disclosure of Accounting Policies". Consequently, as far as ascertained, profit for the year as on 31st March, 2016 is higher by Rs. 9,31,68,113;
- c) Note no 2.3.9 regarding non-provision of interest on unsecured loan aggregating to Rs.2,96,35,903 (including Rs.11,35,170 for the year) in accordance with Accounting Standard- 1 on "Disclosure of Accounting Policies". Consequently, profit for the year as on 31st March, 2016 is higher by Rs. 2,96,35,903;
- d) Note no 2.8.3 regarding non ascertainment and non-provision for impairment of assets in accordance with Accounting Standard- 28 on "Impairment of Assets" and Note no. 2.31 regarding non-identification of the related parties and consequential non-disclosure of transaction if any in accordance with Accounting Standard- 18 on "Related Party Disclosures", the impact of which is presently not ascertainable;
- e) Note no 2.3.2 regarding non-ascertainment and extent of dues payable with regard to loan/interest/penal interest, liquidated damages etc. payable to financial institution/assignee/other parties in accordance with Accounting Standard- 29 on "Provisions, Contingent Liabilities and Contingent Assets", the impact of which is presently not ascertainable;
- f) Note no. 2.12.1 regarding non-ascertainment of recoverability and non-provision for shortfall in the value of inventories in accordance with Accounting Standard-2 on "Valuation of Inventories" the extent of which cannot be commented upon by us;



- g) Note no. 2.25(i) regarding non-provision of demand/show cause notices received for excise duty payable, Note no 2.25(ii) and 2.25(iii) regarding Sales Tax and Turnover Tax including interest thereon, Note no. 2.25(iv) regarding demand received in respect of Provident Fund and Note no. 2.25(v) regarding demand received in respect of ESI, in accordance with Accounting Standard- 29 on "Provisions, Contingent Liabilities and Contingent Assets" the impact of which is currently not ascertainable;
- h) Note 2.28 regarding confirmation of certain balances and consequential reconciliation and adjustments arising in this respect and Note no. 2.10.1, 2.11.1, 2.12.1, 2.13.1 and 2.15.1 regarding eventual shortfall in values and their impact in respect of Security Deposits, Fixed Deposits, Inventories, Trade Receivables and Loans and Advances which is currently not ascertainable;
- i) Note no. 2.5.1 regarding non-ascertainment of dues to Micro, Small and Medium Enterprises as required under the "Micro, Small & Medium Enterprise Development Act (2006)";
- j) Note No. 2.31(a) regarding payment of remuneration to managerial personnel which is subject to approval of Central Government;
- k) Note No. 2.3.11 and 2.3.12 regarding unsecured loans arranged by the Promoters includes loans from relatives in terms of the Draft Rehabilitation Scheme submitted to the BIFR;
- l) Note no. 2.30 regarding giving the Cotton and Synthetic division on right to use basis to third parties. Impact of legal implication including non-obtaining of approval from relevant authorities for such transaction on these account is not ascertainable;
- m) Note no. 2.3.5 regarding shortfall in the book value of security as compared to the amount of secured loan;
- n) Note no 2.11.1 with regard to non-ascertainment of status and recoverability of fixed deposit for Rs 13,20,593 pledged with State Bank of India;
- o) Note no 2.7.3 regarding non-provision for dues, interest, penalty and other liability for delay / default in payment of statutory / other liabilities/gratuity/listing fees etc.;
- p) Note no. 2.3.4 and 2.3.8 regarding creation of Security in respect of Deferred payment liabilities and charge in respect of Assignee's of Modernisation and Rehabilitation Term Loans is yet to be created/modified; and
- q) Note no. 2.3.7 regarding classification of Loans under current and non-current as required under Schedule III of the Companies Act, 2013.



We further report that, without considering the impact of items mentioned in point (d) and (r) above, the effect of which could not be ascertained presently, had the impact of the item referred to in Point (a) to (c) above been given in the financial statement, the loss for the year would have been Rs. 13,49,54,992 (as against the reported profit of Rs. 73,12,823), Reserve and Surplus would have been (Rs. 25,57,20,521) (as against the reported figure of (Rs. 11,34,52,706), Short Term Provisions would have been Rs. 4,41,24,917 (as against the reported figure of Rs. 2,46,61,618), Other Long Term Liabilities would have been Rs. 9,88,62,003 (as against the reported figure of Rs. 56,93,390) and Other Current Liabilities would have been Rs. 6,32,58,154 (as against the reported figure of Rs. 3,36,22,251).

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its Cash Flows for the year ended on that date.

Emphasis of Matter

The Company has suffered substantial losses in earlier years leading to erosion of its net worth as on 31st March 2016. For the reasons mentioned in Note no.2.27 of Notes to the Financial Statements, the accounts of the Company have been prepared on going concern basis. However, the ability of the Company to continue as a going concern is dependent upon the future profitability and viability of operations which presently cannot be commented upon. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:

- a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) Except for the possible effects of the matter described in the Basis For Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- e) The matter described in the Basis for Qualified opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses a qualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
- h) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the matters dealt with in the basis for Qualified Opinion paragraph impact whereof are presently not ascertainable, impact of pending litigations (Other than those already recognised in the accounts) on the financial position of the Company have been disclosed in the financial statement as required in terms of the accounting standards and provisions of the Companies Act, 2013- Refer Note No. 2.27 of the financial statements;
 - ii. The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.



Place: Kolkata
Date: 7th July 2016

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

H. K. Verma
Partner
Membership No: 055104

Annexure "A" to the Auditor's Report of even date:

- i)
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. Further, records in respect of fixed assets acquired prior to 1st April, 1956 have been complied allocating the total cost and depreciation to individual items on the basis of physical verification carried out by the company's technical personnel during the year 1976 -77.
 - b. As informed to us, the fixed assets have not been physically verified during the year. In the absence of such physical verification discrepancies, if any with the book records has not been ascertained
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii)
 - a. As explained to us, the inventories (excluding inventories in transit and those lying with Consignment agents) have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the frequency of such verification is reasonable.
 - b. In our opinion and according to explanations given to us, the procedures for physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) The Company has not granted any loans secured or unsecured to companies, firms or parties covered in the register maintained under Section 189 of the Act. Accordingly, provisions of 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 section 185 and 186 of the Act, with respect to the loans and investments made.
- v) The Company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder excepting as referred to in Note No. 2.3.11 and 2.3.12 of the financial statements.
- vi) According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013. Accordingly, provisions of clause 3 (vi) of the Order is not applicable to the Company.
- vii)
 - a. According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues as applicable to it except Sales Tax Rs. 15,66,005/-, Income Tax Rs 200/-, Excise Duty Rs 15,00,000/-, which primarily relates to earlier years.
 - b. According to the information and explanations given to us, the details of disputed dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax, and Cess, if any, as at 31st March, 2016, are as follows:



Name of the Statute	Nature of Dues	Amount (In Rs)*	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act	Excise Duty	27,86,394	1991-1994 1996-1999 2000-2001	Tribunal
		73,120	1993-1994 1994-1995 1997-1998	Appellate Authority
		33,84,025	1976-77, 1994-95 to 1998-99	High court
Bengal Finance Sales Tax Act 1941	Sales Tax	68,26,724	1992-1993 to 1994-1995	Appellate Authority
West Bengal Sales Tax Act 1954	Sales Tax	2,18,12,895	1992-1993 to 2003-2004	Appellate Authority
Central Sales Tax Act, 1956	Sales Tax	59,06,838	1992-1993 to 2003-2004	Appellate Authority
		1,61,510	1995-1996	High Court
Central Sales Tax Act and Sales Tax Act of various states	Interest on arrear sales tax and turnover tax	3,32,000	Prior to 1987	Various Tribunal and Appellate Authority
The Provident Fund and Miscellaneous Act, 1952	Provident Fund	45,86,206	2000-2002 and 2002-2004	High Court
The Employee State Insurance Act 1948	ESI	3,30,291	1989-1993	ESI Court
The Employee State Insurance Act 1948	ESI	6,34,027	1987-1992	ESI Court

* As explained and ascertained by the management read with Note no. 2.27 of Notes to the Financial Statements and our inability to comment on the correctness and completeness of the same.

viii)

As stated in note no 2.28 of Notes to the Financial Statements, the balances of secured loans are pending confirmation and reconciliation. Further as stated in note no 2.3.2 interest etc. payable on these loans is pending ascertainment and provisioning. Subject to this, and according to the records of the Company and/or information and explanations provided to us, the Company has defaulted in the repayment of dues to financial institutions and as far as ascertained details of amount outstanding in this respect as on 31st March, 2016 are as follows:



Nature of Loan	Period of Default	Amount (In Rs.)
WBIDC-Sales Tax Loan (Refer Note No 2.3.6)	Since 30 th June, 1999	18,60,076
Interest on WBIDC-Sales Tax Loan (Refer Note no. 2.6.1)	Since 30 th June, 1999	3,34,204
Interest on WBIDC-Sales Tax Loan (Refer Note No 2.3.2)	Since 30 th June, 1999	26,76,709

- ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Accordingly, provisions of clause 3 (ix) of the Order is not applicable.
- x) During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such cases by the management.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, as stated in Note no. 2.31(a) of the financial statements, payment of remuneration to managing director and whole time director is in excess of the limits laid down in the Companies Act, 2013.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of clause 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties to the extent identified as stated in Note No. 2.31(a) read with our basis for qualified opinion are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3(xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of clause 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.



Place: Kolkata
Date: 7th July 2016

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

H. K. Verma
Partner
Membership No: 055104

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of The India Jute and Industries Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

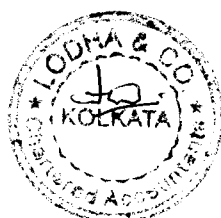
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, in our opinion, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting as at March 31, 2016:

- a) As stated in Note no. 2.28 of the financial statement, the Company does not have a process of obtaining year end confirmation of balances in respect of Borrowings, Trade Receivables, Trade Payables, Other Current Liabilities, Short Term Loans and Advances and Fixed Deposit Accounts.
- b) As stated in Note no. 2.7.3 and 2.3.2 of the financial statement, the Company does not have control in respect of ascertainment and extent of dues payable with regard to loan/interest/penal interest, liquidated damages etc. payable to financial institution/assignee/other parties;
- c) As stated in Note no. 2.5.1, 2.7.1, 2.3.2, 2.3.7, 2.3.9, 2.8.3, 2.12.1, 2.25 and 2.11.1 of the financial statement, the company's financial-statement disclosure is not prepared in accordance with generally accepted accounting principles (including relevant regulatory rules) and the entity's accounting and disclosure policies as stated in the basis for qualified opinion.
- d) As stated in Note no. 2.31 of the financial statement, all related party transactions and balances are not identified and appropriately disclosed in financial statements.



e) Impact with respect to above cannot be ascertained and commented upon by us.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of the Company, and these material weaknesses has affected our opinion on the standalone financial statements of the company and therefore we, where relevant and applicable, have issued qualified opinion on the Financial Statements of the Company.

Place: Kolkata
Date: 7th July 2016



For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration No.:301051E

H. K. Verma
Partner
Membership No: 055104

THE INDIA JUTE AND INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Amount in Rupees

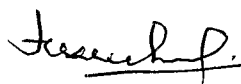
Particulars	Note No	As At March 31, 2016	As At March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	25,800,000	25,800,000
Reserves and Surplus	2.2	(113,452,706)	(120,765,529)
		(87,652,706)	(94,965,529)
Non-current liabilities			
Long-term borrowings	2.3	121,112,144	126,112,144
Other Long term liabilities	2.4	5,693,390	5,693,390
		126,805,534	131,805,534
Current liabilities			
Trade payables	2.5	14,641,316	13,528,506
Other current liabilities	2.6	33,622,251	34,405,406
Short term provisions	2.7	24,661,618	24,016,773
		72,925,185	71,950,685
TOTAL		112,078,013	108,790,690
ASSETS			
Non-current assets			
Fixed assets	2.8		
Tangible assets		41,882,021	40,330,349
Non-current investments	2.9	6,800	6,800
Long term loans and advances	2.10	2,358,444	2,157,281
Other non-current assets	2.11	4,324,741	4,324,667
		48,572,006	46,819,097
Current assets			
Inventories	2.12	27,021,643	42,788,129
Trade receivables	2.13	13,091,609	12,529,708
Cash and Bank Balances	2.14	4,825,909	1,550,313
Short-term loans and advances	2.15	18,341,072	4,898,114
Other current assets	2.16	225,774	205,329
		63,506,007	61,971,593
TOTAL		112,078,013	108,790,690

Summary of significant accounting policies
Notes on financial statements

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2.1 - 2.37

The notes are an integral part of the financial statements

For **LODHA & CO.**
Chartered Accountants



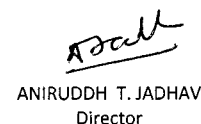
H. K. VERMA
Partner

Place : Kolkata
Date: 7th July, 2016



For and on behalf of Board of Directors


B.K.JALAN
Managing Director


ANIRUDDH T. JADHAV
Director

THE INDIA JUTE AND INDUSTRIES LIMITED

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

Amount in Rupees

Particulars	Note No	Figures For The Year Ended March 31, 2016	Figures For The Year Ended March 31, 2015
Income			
Revenue from operations	2.17	295,688,248	279,054,855
Other income	2.18	5,260,465	660,947
Total Revenue		300,948,713	279,715,802
Expenses			
Cost of Materials Consumed	2.19	138,369,398	155,254,704
Changes in inventories of finished goods, work in progress and stock in trade	2.20	11,589,701	(6,701,955)
Employee benefit expense	2.21	22,111,669	19,550,568
Finance costs	2.22	9,431,725	8,636,836
Depreciation expense	2.8	1,460,569	1,496,631
Other expenses	2.23	110,672,828	94,936,667
Total expenses		293,635,890	273,173,451
Profit for the year		7,312,823	6,542,351
Earnings per equity share:	2.24		
(1) Basic		2.83	2.54
(2) Diluted		2.83	2.54

Summary of significant accounting policies
Notes on financial statements

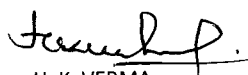
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2.1 - 2.37

The notes are an integral part of the financial statements

For and on behalf of Board of Directors

As per our report of even date


For **LODHA & CO.**
Chartered Accountants


H. K. VERMA
Partner

Place : Kolkata
Date: 7th July, 2016




B.K. JALAN
Managing Director


ANIRUDDH T. JADHAV
Director

THE INDIA JUTE AND INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rupees

	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extraordinary items	7,312,823	6,542,351
Adjustments for:		
Depreciation	1,460,569	1,496,631
Finance Cost	9,431,725	8,636,836
Profit on sale of scrapped fixed assets	(5,065,057)	(209,696)
Interest Received	(136,915)	(121,542)
Liabilities no longer required written back	-	-
	5,690,322	9,802,229
Operating Profit before Working Capital changes	13,003,145	16,344,580
Adjustment for (Increase)/Decrease in:		
Trade & Other Receivables	(14,529,137)	2,437,765
Inventories	15,766,486	(6,253,275)
Trade & Other Payables	(1,826,867)	(589,518)
	(11,114,424)	(14,929,934)
Cash generated from operations before Taxes	12,413,627	1,414,646
Add: Tax Paid (Net of Refund)	(72,177)	396,270
Net Cash from Operating Activities before Taxes (A)	12,341,450	1,810,916
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,100,784)	(2,185,781)
Sale proceeds of Fixed Assets	5,153,600	220,000
Interest Received	136,915	121,542
	2,189,731	(1,844,239)
NET CASH USED IN INVESTING ACTIVITIES (B)	2,189,731	(1,844,239)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	9,500,000	41,000,000
Repayments of borrowings	(14,500,000)	(32,000,000)
Interest Paid	(6,255,585)	(11,752,606)
	(11,255,585)	(2,752,606)
NET CASH USED IN FINANCING ACTIVITIES (C)	(11,255,585)	(2,752,606)
	3,275,596	(2,785,929)
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH (Ref. Note 2.14)	4,825,909	1,550,313
CASH AND CASH EQUIVALENTS AS AT 1ST APRIL (Ref. Note 2.14)	1,550,313	4,336,242
	3,275,596	(2,785,929)

Note :

1) Cash and cash equivalents represents cash in hand and balances with Banks.

2) The Cash flow statement has been prepared under indirect method as per Accounting Standard 3 on Cash Flow Statement

As per our report of even date.

For **LODHA & CO.**

Chartered Accountants

H. K. Verma

H. K. VERMA
Partner



For and on behalf of Board of Directors

B.K. JALAN
Managing Director

Aniruddh T. Jadhav

ANIRUDDH T. JADHAV
Director

Place: Kolkata
Date: 7th July, 2016

THE INDIA JUTE AND INDUSTRIES LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General

The financial statements have been prepared under the historical cost convention except in respect of certain fixed assets which are stated at revalued amount in accordance with the provisions of the Companies Act, 2013 and accounting standards as prescribed under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices. Accounting policies unless specifically stated to be otherwise, are consistent and are in consonance with generally accepted accounting principles.

1.2 Use of estimates

The preparation of financial statements require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of revenue and expenses during the year.

Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized.

1.3 Fixed Assets

Fixed assets are stated at cost of acquisition and subsequent improvements thereto other than assets acquired prior to 31st March, 1987 which are stated on the basis of their revaluation being inclusive of resultant write-up. Interest during construction period on borrowings to finance fixed assets is capitalized. Pre-operating expenses for projects are capitalized, where appropriate.

1.4 Impairment Of Assets

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.5 Depreciation And Amortization

Depreciation on fixed assets is provided based on the useful life as specified in Schedule II to the Companies Act, 2013 under-

1.5.1 Written Down Value Method in respect of assets acquired prior to 1st April, 1988.



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1.5.2 Straight Line Method in respect of assets acquired on or after 1st April, 1988. Additional depreciation for the year attributable to the revalued assets is transferred from Revaluation Reserve to Surplus/ (Deficit).

1.6 Revenue

Revenue is recognized on completion of sale of goods and rendering of services. Sales are inclusive of Excise Duty.

1.7 Investments

Investments being non - current in nature are valued at cost. Provision is made for diminution in value of investments, if the same is of permanent nature.

1.8 Inventories

Inventories are valued at lower of the cost or net realizable value. Cost of inventories other than Raw Materials are generally ascertained on 'weighted average' basis. In respect of Raw Materials is ascertained on First in First Out (FIFO) 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 and excise duty.

1.9 Transactions In Foreign Currencies

Transaction in foreign currencies is accounted for at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year end are translated using the closing exchange rates where non-monetary assets are translated at the rate on the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as revenue or expenses and are adjusted to the statement of profit and loss.

1.10 Employee Benefits

Employees benefit is accrued in the year services are rendered by the employees. Contribution are made to Provident fund, Pension fund at the prescribed rates and are recognized on accrual basis.

Long term employee benefit under defined benefit scheme such as liability for gratuity at the year end is accounted for as and when it becomes due for payment and liability for leave encashment at the year end is accounted for on cash basis.

1.11 Contingencies

Contingencies which can be reasonably ascertained are provided for, if in the opinion of the Company, there is probability that the future outcome may be detrimental to the Company.



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1.12 Government Grants

Government Grants of revenue nature are recognized in the statement of profit and loss under respective heads of account.

Capital Investment Subsidy is shown separately under liabilities and an appropriate portion is transferred to the statement of profit and loss.

1.13 Taxes On Income

Provision for tax is made for the current and deferred taxes. Current tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods, are recognized using tax rates and tax laws, which have been enacted or substantively enacted. Deferred tax assets are recognized only to the extent that there is reasonably certainty that sufficient future taxable income will be available against which such deferred tax asset will be realized. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax asset are recognized only if there is "virtual certainty" that such deferred tax asset can be realized against future taxable profits.

1.14 Provision, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimate in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are either recognized or disclosed in the financial statements.



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2.1 SHARE CAPITAL

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Authorised Shares:			
1,10,00,000 (1,10,00,000) Equity Shares of Rs.10/- each		110,000,000	110,000,000
Issued, Subscribed and Paid-up Shares			
25,80,000 (25,80,000) Equity Shares of Rs.10/- each		25,800,000	25,800,000
		25,800,000	25,800,000

2.1.1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their share holding.

2.1.2 There is no movement in the number of shares outstanding at the beginning and at the end of the reporting period

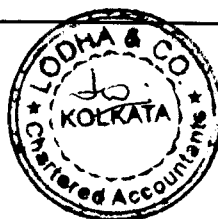
2.1.3 Shareholders holding more than 5% shares

Name of share holders	Amount in Rupees	
	As at March 31, 2016	As at March 31, 2015
Collieries India Private Limited	157,500	157,500
Crown Investments Private Limited	175,000	175,000
Kunj Commercial Company Limited	375,000	375,000
Tolaram Jalan	260,064	260,064
Tolaram & Son (HUF)	767,200	767,200
Anuradha Jalan	159,000	159,000

2.1.4 20% of Secured Loans of Rs. 1,74,24,000 (previous year Rs. 1,74,24,000) granted by various Financial Institutions carry rights of conversion into ordinary share capital of the Company at par on one or more occasions under certain specific circumstances of default by the Company. However, the original lenders have assigned the outstanding loans to certain bodies corporate as given in Note no 2.3.

2.2 RESERVES AND SURPLUS

Particulars	Ref. note no.	As at March 31, 2016	Amount in Rupees As at March 31, 2015
Capital Reserve			
As Per Last Balance Sheet		<u>3,897,995</u>	<u>3,897,995</u>
		<u>3,897,995</u>	<u>3,897,995</u>
Revaluation Reserve			
As Per Last Balance Sheet		27,573,453	28,058,952
Less:			
Depreciation on Revaluation portion transferred to Surplus/ (Deficit)	2.8.2	56,810	476,230
Revaluation Reserve on Scrapped Fixed Assets		<u>8,016</u>	<u>9,269</u>
		<u>27,508,627</u>	<u>27,573,453</u>
Surplus / (Deficit)			
As Per Last Balance Sheet		(152,236,977)	(159,264,827)
Add: Transferred From Statement Of Profit And Loss		7,312,823	6,542,351
Add: Transfer From Revaluation Reserve			
Depreciation on Revaluation portion		56,810	476,230
Revaluation Reserve on Scrapped Fixed Assets		<u>8,016</u>	<u>9,269</u>
Net Surplus/ (Deficit)		<u>(144,859,328)</u>	<u>(152,236,977)</u>
TOTAL		<u>(113,452,706)</u>	<u>(120,765,529)</u>



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2.3 LONG TERM BORROWINGS

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Secured Loans	2.3.2, 2.3.3, 2.3.5 to 2.3.7 & 2.28		
Modernisation and Rehabilitation Term Loans	2.1.4, 2.3.1, 2.3.8, 2.3.10 & 2.6.1		
From Others			
Shakmbhari Traders Limited (The Original Lender IFCL Limited has assigned the said loan together with all other dues on loan in favour of Asset Care Enterprise Limited which has further assigned by Asset Care Enterprise Ltd. to Shakmbhari Traders Limited)		9,685,828	9,685,828
Karjan Vyapaar Private Limited (The Original Lender Industrial Development Bank Of India Limited (IDBI Ltd) has assigned the said loan together with all other dues on loan in favour of Karjan Vyapaar Private Limited)		8,422,997	8,422,997
United Credit Limited (The Original Lender Industrial Investment Bank Of India Limited (IIBI Ltd) has assigned the said loan together with all other dues on loan in favour of United Credit Limited)		4,853,243	4,853,243
		<u>22,962,068</u>	<u>22,962,068</u>
Deferred Payment Liabilities	2.6.1		
Interest Free Excise Duty Loan From Government Of India	2.3.4	35,377,000	35,377,000
Sales Tax Loan From West Bengal Industrial Development Corporation Limited	2.3.4	1,860,076	1,860,076
		<u>37,237,076</u>	<u>37,237,076</u>
Unsecured Loans	2.28		
From Related Parties	2.3.12 and 2.31	24,500,000	23,000,000
Old Loans	2.3.9		
From Promoters:			
From Related Parties	2.3.12 and 2.31	3,000,000	3,000,000
Other Body Corporates	2.3.6	<u>5,413,000</u>	<u>5,413,000</u>
		8,413,000	8,413,000
Other Loans	2.3.11		
From Promoters:			
Managing Director- Interest Free Loan		12,000,000	12,000,000
Managing Director- Other Loan		1,500,000	-
From Body Corporates		<u>14,500,000</u>	<u>22,500,000</u>
		28,000,000	34,500,000
		<u>60,913,000</u>	<u>65,913,000</u>
		<u>121,112,144</u>	<u>126,112,144</u>

2.3.1 Secured by a first mortgage and charge on all the movable and immovable assets, present and future, in favour of the financial institutions/Assignees i.e IFCL Limited, IDBI Limited and United Credit Limited for Rehabilitation loan of Rs.1,29,00,000/- (previous year Rs.1,29,00,000/-).



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- 2.3.2 Due to continued adverse workings, the Company could not repay the principal amounts due for repayment and interest on secured loans to the Financial Institutions / Assignees / Other Parties. Interest, penal interest, liquidated damages, payable due to such default as per the agreements have been decided to be accounted for as and when paid / settled with the lenders / assignee. Accordingly, liquidated damages estimated by the management based on the available information amounting to Rs.9,04,91,904(including Rs. 61,90,975 for the year) on Excise Duty Loan from the Government of India and penal interest, etc. amounting to Rs.26,76,709(including Rs.1,62,757 for the year) on Sales tax loan from West Bengal Development Corporation of India has not been provided. The interest, penal interests, liquidated damages etc. payable to the Financial Institutions / Assignees / Other Parties, the amount of which presently not ascertainable, have also not been provided for in these financial statements since 01st April, 2002.
- 2.3.3 Secured by a first charge by way of hypothecation of all the movable assets acquired / to be acquired both present and future pursuant to the rehabilitation package ranking pari passu with charge created / to be created in favour of IFCI, IDBI, United Credit Limited and/or the assignees for their respective assistance in rehabilitation package.
- 2.3.4 Deferred Payment Liabilities are to be secured by second / subservient charge on all the movable and immovable assets present and future subject to prior charge on specific assets created in favour of banks and financial institutions.
- 2.3.5 As compared to the amount of secured loan and the value of Security there is a shortfall in the book value of security. Therefore, to the extent there is a shortfall in the value of security the amount of secured loan is not secured.
- 2.3.6 The Company is yet to enter into fresh agreement with the lender/ assignee. In absence of the same, the Loan taken from financial institution has been continued to be considered as default to financial institution in terms of Schedule III of the Companies Act, 2013. Based on the same, the Company has defaulted in the repayment of principal amount of loans as given below in terms of original terms of the loans:

Particulars	Period	As At March 31, 2016	As At March 31, 2015
Modernisation and Rehabilitation Term Loans			
IFCI Limited (The Original Lender) assigned to Assets Care Enterprise Limited (Further Assigned by Asset Care Enterprise Limited to Shakambhari Traders Ltd.)	15 th April, 1998	96,85,828	96,85,828
IDBI Limited (The Original Lender) assigned to Karjan Vyapaar Private Limited	15 th April, 1998	84,22,997	84,22,997
IIBI Limited (The Original Lender) assigned to United Credit Limited	15 th April, 1998	48,53,243	48,53,243
		<u>2,29,62,068</u>	<u>2,29,62,068</u>
Deferred Payment Liabilities			
Interest Free Excise Duty Loan From Government Of India	14 th April, 1998	3,53,77,000	3,53,77,000
Sales Tax Loan From West Bengal Industrial Development Corporation Limited	30 th June, 1999	18,60,076	18,60,076
		<u>3,72,37,076</u>	<u>3,72,37,076</u>
Unsecured Loans			
From Others			
Body Corporates	31 st March, 2006	54,13,000	54,13,000
		<u>54,13,000</u>	<u>54,13,000</u>

- 2.3.7 As referred to in note no. 2.27 the company is a sick company and the repayment schedule of the loans is dependent on the sanction of the revival scheme by Honourable BIFR. Pending decision of Honourable BIFR, the loans have been treated as long term borrowings and the repayment schedule for current and non current is presently not ascertainable and accordingly, current maturities/non-current portion of long term loans could not be worked out and disclosed as required by Schedule III of the Companies Act, 2013.
- 2.3.8 Though the loans have been assigned by original lender to others, the charge in respect of assignees except in respect of United Credit Limited is yet to modified. Steps are being taken to modify the same in favour of assignees.
- 2.3.9 Interest accrued upto 31st March, 2016 aggregating to Rs.2,96,35,903 (including Rs. 11,35,170 for the year) on unsecured loan amounting to Rs. 84,13,000 (Previous year Rs.84,13,000) as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.
- 2.3.10 Interest accrued and due on loans as on 31st March 2013 had been included in the outstanding loans from Shakambhari Traders Ltd amounting to Rs. 11,62,299 based on their confirmations.



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2.4 OTHER LONG TERM LIABILITIES

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Trade Payables	2.5.1 & 2.28	5,693,390	5,693,390
		<u>5,693,390</u>	<u>5,693,390</u>

2.5 TRADE PAYABLES

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Payable for goods and services	2.5.1 & 2.28	14,641,316	13,528,506
		<u>14,641,316</u>	<u>13,528,506</u>

2.5.1 Disclosure of Trade payables regarding the status of supplier's as defined under the "Micro, Small & Medium Enterprises Development Act, 2006" (the Act) has not been made since there has been no such confirmation send by the company to their supplier regarding their status. Hence relevant disclosure U/s 22 of the act has not been made.

2.6 OTHER CURRENT LIABILITIES

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Advances From Customers And Selling Agents	2.28	16,017,137	20,299,436
Interest Accrued And Due On Loans	2.28 & 2.6.1		
Secured Term Loans		5,574,860	6,620,929
Deferred Payment Liabilities		334,204	334,204
Unsecured Loans		<u>6,863,599</u>	<u>2,641,390</u>
		12,772,663	9,596,523
Interest Accrued And Due On Statutory Payables		271,790	271,790
Other Payables			
Statutory Payables	2.7.3	4,560,452	4,237,448
Excise Duty On Closing Stock		209	209
		<u>33,622,251</u>	<u>34,405,406</u>

2.6.1 The Company has defaulted in the repayment of interest due on loan to financial institutions/other as given below.

Particulars	Period	Amount in Rupees	
		As At March 31, 2016	As At March 31, 2015
Modernisation and Rehabilitation Term Loans			
IFCI Limited (The Original Lender) assigned to Assets Care Enterprise Limited [Further assigned by Asset Care Enterprise Limited to Shakambhari Traders Ltd.]	15 th April, 1998	3,912,137	3,912,137
IDBI Limited (The Original Lender) assigned to Karjan Vyapaar Private Limited	15 th April, 1998	414,838	414,838
IIBI Limited (The Original Lender) assigned to United Credit Limited	15 th April, 1998	1,247,885	1,247,885
		<u>5,574,860</u>	<u>5,574,860</u>
Deferred Payment Liabilities			
Interest Free Excise Duty Loan From Government Of India	14 th April, 1998	-	-
Sales Tax Loan From West Bengal Industrial Development Corporation Limited	30 th June, 1999	334,204	334,204
		<u>334,204</u>	<u>334,204</u>
Interest on Unsecured Loans	31 st March, 1999	1,969,000	1,969,000

2.7 SHORT TERM PROVISIONS

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Provision For Employee Benefits	2.7.1 to 2.7.3	24,661,618	24,016,773
		<u>24,661,618</u>	<u>24,016,773</u>

2.7.1 As per consistent policy, no provision has been made in these financial statements for accrued liability for gratuity for the period upto 31st March, 2003 in respect of employees of Fine Yarn and Carpet Division amounting to Rs. 24,30,173 and Rs. 9,99,787 respectively and for employees of Textiles Division and Head Office who are in the service of the company as on 31st March, 2011 amounting to Rs.1,53,23,102 and Rs. 7,10,237 respectively, to the extent identified. From the year ended 31st March, 2012, no actuarial valuation has been carried out in respect of employees existing as on 31st March, 2016 and has been only provided in respect of employees retired during the period. However, in absence of actuarial valuation as per AS - 15 on employee benefit has not been ascertained and necessary provision has not been made.

In terms of AS-15, no actuarial valuation has been carried out in respect of liability for gratuity and compensated absences. Liability for leave encashment has not been provided for. In absence of actuarial valuation, the liability that would arise could not be ascertained and necessary disclosure has not been made.

2.7.2 During the year the Company has paid Rs. 18,43,508 (Previous Year Rs. 7,11,972) on account of gratuity to the employees.

2.7.3 Pending ascertainment of the amounts, no provision has been made in these financial statements for dues, interest, penalty or other liability for delay / default in payment of statutory / other liabilities including in respect of provident fund, gratuity, excise duty, sales tax listing fees etc. Due to huge losses and non - availability of sufficient cash, the company is in the process of making payment of statutory dues (including gratuity) as and when the sufficient funds will be available.



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2.8 FIXED ASSETS

Amount in Rupees

Particulars	Original Cost / Revaluation			Depreciation			Net Value Of Assets			
	As at 31st March, 2015	Additions during the year	Sales / adjustments during the year	As at 31st March, 2016	Upto 31st March, 2015	For the Year	On items sold /adjusted during the year	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Tangible Assets										
Land and Estate	25,500,300	-	-	25,500,300	300	-	-	300	25,500,000	25,500,000
Building	27,570,654	-	-	27,570,654	25,017,584	207,953	-	25,225,537	2,345,117	2,553,070
Plant and Equipments	189,008,373	2,697,234	1,000,000	190,705,607	177,248,868	1,230,572	983,901	177,495,539	13,210,068	11,759,505
Electrical Installations	11,193,801	-	1,810,094	9,383,707	10,801,710	-	1,737,650	9,064,060	319,647	392,091
Furniture and Fixtures	1,771,844	14,250	-	1,786,094	1,691,984	111	-	1,692,095	93,999	79,860
Office Equipments	467,414	29,300	-	496,714	446,052	6,944	-	452,996	43,718	21,362
Computers	413,990	-	-	413,990	390,738	3,932	-	394,670	19,320	23,252
Vehicles	446,933	360,000	-	806,933	445,724	11,057	-	456,781	350,152	1,209
TOTAL	256,373,309	3,100,784	2,810,094	256,663,999	216,042,960	1,460,569	2,721,551	214,781,978	41,882,021	40,330,349
Previous Year	252,523,999	4,489,310	640,000	256,373,309	215,176,025	1,496,631	629,696	216,042,960	40,330,349	

2.8.1 Plant and Equipments includes Sprinkler Installation and Tube-Well

2.8.2 Cost / Book value of all the fixed assets of the Company as on 31st March, 1987 was written up on revaluation by Rs.24,95,38,035 by crediting the corresponding amount to Capital Reserve on Revaluation of fixed assets as on 31st March, 1987. Revaluation Reserve Account was pending reconciliation with the asset wise details. Consequential adjustment arising out of such reconciliation including adjustments on account of assets sold till 31st March 2014 were not determined. Rs. 56,810 (Previous Year Rs.4,76,230) in respect of depreciation on revalued portion) has been transferred to Surplus/ (Deficit).

2.8.3 Due to huge losses and various divisions being run by licensee / third parties under licensing / other agreement the management has not carried out any exercise with regard to measurement and recognition of loss on impairment of assets.

2.8.4 Also Refer Note No: 2.3.1, 2.3.3, 2.3.4



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Amount in Rupees

2.9 NON CURRENT INVESTMENTS

Particulars	Ref. note no.	No. of Shares/ Debentures	As at March 31, 2016	No. of Shares/ Debentures	As at March 31, 2015
Other than trade (At cost)					
Investment in Equity Investments (Unquoted)					
Fully Paid-up Equity Shares					
Woodlands Multispeciality Hospital Limited (Rs. 10/- each)		1170	5,800	1170	5,800
			5,800		5,800
Investment in Debentures (Unquoted)					
Bengal Chamber of Commerce and Industry (6.5 % Debenture of Rs. 1000/- each)		1	1,000	1	1,000
			1,000		1,000
TOTAL			6,800		6,800

2.9.1 Aggregate amount of unquoted investment 6,800 6,800

2.9.2 Particulars of Investments as required in terms of Sec 186(4) of the Companies Act, 2013 have been disclosed under Note No. 2.9

2.10 LONG TERM LOANS AND ADVANCES

Particulars	Ref. note no.	As at March 31, 2016	As at March 31, 2015
Unsecured - Considered good			
Security Deposits	2.10.1 & 2.28	17,23,966	15,94,980
Advance Income Tax And Tax Deduction At Source		6,33,718	5,61,541
Advance Fringe Benefit Tax		760	760
		23,58,444	21,57,281

2.10.1 Security Deposits includes amounts Rs.2,46,157 (Previous Year Rs.2,46,157) which are outstanding for a considerable period of time. In view of legal and persuasive steps being taken by the management for recovery of the same, the same have been considered good and recoverable.

2.11 OTHER NON CURRENT ASSETS

Particulars	Ref. note no.	As at March 31, 2016	As at March 31, 2015
Fixed Deposits With Original Maturity More Than 12 Months	2.11.1 & 2.28 2.11.2 &	13,20,593	13,20,593
Deposit in 'No Lien Account' (NLA) with IFCI (OA)	2.3.11	30,00,000	30,00,000
Interest Receivable		4,148	4,074
		43,24,741	43,24,667

2.11.1 Pending confirmation with regard to a fixed deposit of Rs. 13,20,593 (previous year Rs. 13,20,593) pledged with the State Bank of India for utilization of bank guarantee, no adjustment has been made in the financial statements.

2.11.2 The company had deposited a sum of Rs. 30,00,000 in 'no lien account' (NLA) lying with OA (IFCI Limited) being 25% of the fund estimated for rehabilitation of the company as per BIFR Order dated 20th November 2013.



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2.12 INVENTORIES

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
(At cost or net realisable value whichever is lower)			
Raw Materials		13,301,501	17,486,769
	2.12.2 &		
Finished Goods	2.12.3	12,448,717	24,038,418
Stock-in-process (at cost)	2.12.3	686,420	686,420
Wastes		18,000	18,000
Stores and Spares- (at cost)		6,772,215	6,763,732
Less : Provision for obsolete/non-moving stores		<u>6,205,210</u>	<u>6,205,210</u>
		<u>27,021,643</u>	<u>42,788,129</u>

2.12.1 Inventories as on 31st March 2016 amounting to Rs. 7,95,177 (Previous year Rs.7,95,177) is lying for more than one year. The Company is taking necessary steps to dispose off the same. In the opinion of management there would be no shortfall in their realizable value in the ordinary course of the business. Consequently no further provision have been considered necessary in this regard.

2.12.2 Inventories include Finished Goods of Rs.36,97,541 (Previous Year Rs. 67,49,049) lying with Consignment Agents.

2.12.3 Details of Inventories

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Finished Goods			
Hosiery Yarn		5,329,106	14,268,383
Other yarn		7,119,611	9,770,035
Stock-in-Process			
Hosiery Yarn		-	-
Other yarn		686,420	686,420

2.13 TRADE RECEIVABLES

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Unsecured			
Debts outstanding for a period exceeding six months from the date they are due for payment			
Considered good	2.13.1	11,862,792	12,185,502
Considered Doubtful		<u>4,592,687</u>	<u>4,592,687</u>
		16,455,479	16,778,189
Less : Provision for doubtful debts		<u>4,592,687</u>	<u>4,592,687</u>
		<u>11,862,792</u>	<u>12,185,502</u>
Others			
Considered good		<u>1,228,817</u>	<u>344,206</u>
		<u>1,228,817</u>	<u>344,206</u>
		<u>13,091,609</u>	<u>12,529,708</u>

2.13.1 Trade Receivables includes amount Rs. 6,70,887 (previous year Rs. 6,70,887) which are outstanding for a considerable period of time. In view of legal and persuasive steps being taken by the management for recovery of the same, the same have been considered good and recoverable.

2.13.2 Also Refer Note 2.28



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2.14 CASH AND BANK BALANCES

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Cash And Cash Equivalents			
Balances With Banks			
In Current Accounts		4,801,308	1,486,422
Cash in hand		24,601	63,891
		<u>4,825,909</u>	<u>1,550,313</u>

2.15 SHORT TERMS LOANS AND ADVANCES

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Unsecured - Considered Good			
Advance To Employees		165,171	97,591
Advance To Suppliers		15,231,225	2,376,585
Other Advances	2.15.1	725,352	204,614
Deposits With Government Authorities and others	2.15.1 & 2.15.2	2,213,196	2,213,196
Balances With Customs And Excise Authorities		6,128	6,128
		<u>18,341,072</u>	<u>4,898,114</u>

2.15.1 Loans and advances includes amounts Rs.22,08,224 (Previous Year Rs.22,08,224) which are outstanding for a considerable period of time and under dispute. In view of legal and persuasive steps being taken by the management for recovery of the same, the same have been considered good and recoverable.

2.15.2 Deposits with Government Authorities includes Post Office Saving Bank Account Deposit of Rs. 22,500 (Previous Year Rs. 22,500) deposited with Excise Authorities.

2.15.3 Also Refer Note 2.28

2.16 OTHER CURRENT ASSETS

Particulars	Ref. note no.	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
Other Receivables		205,329	205,329
Export Import License in hand		20,445	
		<u>225,774</u>	<u>205,329</u>

2.16.1 Also Refer Note 2.28



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2.17 REVENUE FROM OPERATIONS

Particulars	Ref. note no.	For the year ended March 31, 2016	Amount in Rupees For the year ended March 31, 2015
<u>Sale of Products</u>			
Finished Goods	2.17.1	273,077,431	258,596,632
Processing Charges	2.17.2	18,806,927	16,525,770
<u>Other Operating Revenues</u>			
Licensing Fees	2.30	540,000	540,000
Usage Charges	2.30	3,263,890	3,392,453
Revenue from Operations (Gross)		295,688,248	279,054,855
Less: Excise Duty		-	-
Revenue from Operations (Net)		295,688,248	279,054,855

Particulars	For the year ended March 31, 2016	Amount in Rupees For the year ended March 31, 2015
<u>Finished Goods</u>		
Hosiery Yarn	171,720,035	191,866,269
Other yarn	101,357,396	66,730,363
	273,077,431	258,596,632

2.17.2 The company had entered into an agreement with Vasundhara Texcom Private Limited (VTPL) with effect from 29th April, 2013 for conversion of their Raw Jute to Finished Jute Yarn and accordingly processing charges amounting to Rs. 1,88,06,927 (Previous Year Rs. 1,65,25,770) have been recognised in terms of the said agreement.

2.18 OTHER INCOME

Particulars	Ref. note no.	For the year ended March 31, 2016	Amount in Rupees For the year ended March 31, 2015
Interest On Deposits		111,632	76,798
Interest On Income Tax Refund		25,283	44,744
Profit On Sale Of Scrapped Fixed Assets	2.18.1	5,065,057	209,696
Net gain/(loss) on foreign exchange fluctuation		58,493	-
Sale of Scrap		-	329,709
		5,260,465	660,947

2.18.1 Certain Plant and Equipments of Textile Division having Written Down Value of Rs. 88,543 (Previous Year Rs. 10,304) which were not usable and became obsolete and not in operation since last 10 years, had been discarded and scrapped during the year. The scrapped plant and equipments were sold and profits on such sales have been recognized. Further, the company had acquired other equipments amounting to Rs. 31,00,784 (Previous Year Rs. 21,85,781) out of sale proceeds of scrapped equipments.



THE INDIA JUTE AND INDUSTRIES LIMITED

2.19 COST OF MATERIALS CONSUMED

Particulars	Ref. note no.	Amount in Rupees	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Raw Materials -Acrylic Fibre		138,369,398	155,254,704
		<u>138,369,398</u>	<u>155,254,704</u>

2.20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK-IN-TRADE

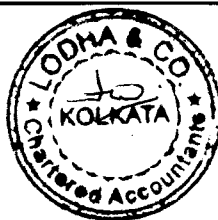
Particulars	Ref. note no.	Amount in Rupees	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Opening Stock			
Finished Goods		24,038,418	17,336,463
Work-In-Progress		686,420	686,420
Waste		18,000	18,000
		<u>24,742,838</u>	<u>18,040,883</u>
Less: Closing Stock :			
Finished Goods		12,448,717	24,038,418
Work-In-Progress		686,420	686,420
Waste		18,000	18,000
		<u>13,153,137</u>	<u>24,742,838</u>
Decrease/(Increase) in Inventories		<u>11,589,701</u>	<u>(6,701,955)</u>

2.21 EMPLOYEE BENEFITS EXPENSE

Particulars	Ref. note no.	Amount in Rupees	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries And Wages		17,068,892	15,729,634
Contribution To Provident And Other Funds		1,325,062	1,426,606
Pension And Retiral Gratuity		2,501,889	1,233,348
Workmen And Staff Welfare Expenses		1,215,826	1,160,980
		<u>22,111,669</u>	<u>19,550,568</u>

2.22 FINANCE COST

Particulars	Ref. note no.	Amount in Rupees	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Expense		9,431,725	8,636,836
		<u>9,431,725</u>	<u>8,636,836</u>



THE INDIA JUTE AND INDUSTRIES LIMITED

2.23 OTHER EXPENSES

Particulars	Ref. note no.	Amount in Rupees	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Stores And Spares Consumed		1,042,469	766,778
Processing Charges	2.23.2	97,126,649	84,663,040
Rent		68,442	68,442
Insurance		175,894	141,472
Rates And Taxes		284,627	290,108
Power And Fuel		3,677,490	4,030,043
Repairs			
Building		-	-
Others		39,497	49,415
Brokerage And Commission On Sales		2,278,453	1,755,714
Delivery/Freight Charges (Sales)		1,579,931	863,936
Sales Tax	2.23.1	1,342,291	-
Motor Car Hire And Maintenance Expenses		157,336	127,278
Travelling And Conveyance Expenses		1,357,089	594,110
Directors Fees		900	1,200
Professional And Legal Charges		588,700	494,919
Payment To Auditors			
For Statutory Audit		25,000	25,000
For Tax Audit		5,000	30,000
Loss on Futures		38,548	229,604
Miscellaneous Expenses		884,512	830,608
		110,672,828	94,936,667

2.23.1 Sales Tax represents the amount paid towards admitted assessed demand of disputed tax

2.23.2 The company had entered into an agreement with Adinath Cotton & Synthetic Spinners Private Limited (Adinath) with effect from 5th September, 2013 for conversion of Acrylic Fibre supplied by the company into Acrylic Yarn and accordingly processing charges amounting to Rs. 9,71,26,649 (Previous Year Rs. 8,46,63,040) has been charged to Statement of Profit & Loss.

2.24 EARNINGS PER SHARE (EPS)

The following reflects Profit & Share data used in the Basic and Diluted EPS computation

Particulars		Amount in Rupees	
		For the year ended March 31, 2016	For the year ended March 31, 2015
Profit after tax		7,312,823	6,542,351
Net Profit for calculation of Basic and Diluted EPS	(a)	7,312,823	6,542,351
Weighted average number of equity shares	(b)	2,580,000	2,580,000
Nominal value per equity share		10	10
Basic and Diluted EPS	(a) / (b)	2.83	2.54



THE INDIA JUTE AND INDUSTRIES LIMITED

2.25 CONTINGENT LIABILITIES NOT PROVIDED FOR

Claims against the Company not acknowledged as debts-

SL No	Particulars	Amount in Rupees	
		As at March 31, 2016	As at March 31, 2015
(i)	For additional demands of excise duty which are under appeal*	6,243,539	6,243,539
(ii)	Sales tax and turnover tax for the years 1992 - 93 to 2003 - 04 which are under appeal*	33,086,586	34,101,116
(iii)	For interest on arrear sales tax and turnover tax which is under appeal*	332,000	332,000
(iv)	For interest on delayed payment of providend fund contribution which is under appeal*	4,586,206	4,586,206
(v)	For additional demand of ESI inclusive interest which is under appeal*	964,948	964,948
(vi)	For Entry Tax in respect of Imported Raw Materials and inter state purchases	3,687,263	1,998,646

The Company's pending litigation comprise of proceedings with Sales Tax, Excise and various other authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.

*These balances are carried forward from earlier years and out flow of resources is depending upon the out come of the disputes pending in appeal before respective authorities.

Note: Future cash outflows, if any, in respect of (i) to (vi) above is dependent upon the outcome of judgments / decisions.

2.26 The following future contracts of Currency Derivatives have open interests as on the balance sheet date :

Particulars	Amount in Rupees	
	As at March 31, 2016	As at March 31, 2015
Name of the Future	USDINR	-
Series of the Future	April'16	-
Nature of the Position	Long	-
No. of Contracts	140	-
No. of Units Involved	140000	-
Daily Settlement price as on 31st March	66.5925	-



- 2.27 The Board for Industrial and Financial Reconstruction (BIFR) declared the Company Sick Industrial Company vide its order dated 20th December 1999. BIFR appointed IFCI Ltd as an operating Agency (OA). BIFR vide its orders in several meetings directing OA to submit fully tied up Draft Rehabilitation Scheme (DRS) for consideration of BIFR. OA vide their letter dated 16th May, 2014 forwarded the DRS to the Hon'ble BIFR. The Hon'ble BIFR in its meeting held on 22nd May, 2014 has directed the BIFR's Board office to re-examine the DRS submitted by IFCI (OA) for early circulation, if found viable. Pending re-examination of DRS by BIFR's Board office the financial statements of the Company for the year has been prepared on a going concern.
- 2.28 Debit and Credit balances including trade receivables amounting to Rs. 6,70,887, fixed deposits amounting to Rs. 13,20,593, Deposit in NLA with IFCI amounting to Rs. 30,00,000, Security Deposits amounting to Rs. 2,49,557, trade payables amounting to Rs. 75,66,550, current liabilities amounting to Rs. 2,41,66,991 including advances from customers amounting to Rs. 1,60,17,137, other liabilities, long term borrowings amounting to Rs. 6,86,12,144 etc. are subject to confirmation/reconciliation with respect to individual details from concerned parties. Necessary adjustments in this respect will be carried out on ascertainment of amount thereof.
- 2.29 The Company had entered into a License Agreement with Vasundhara Texcom Private Limited (VTPL) on 27th March, 2003 where in, Jute Fine Yarn and Carpet manufacturing unit were given to VTPL w.e.f. 01st April, 2003 as license for running such units at the sole risk and responsibility of the licensee by employing the existing officers, staff and workmen of the said units of the Company with entitlement to use all existing fixed assets and other equipments belonging to the company at such units. In terms of the agreement, all the officers, staff and workmen of the above units were transferred w.e.f. 01st April, 2003. All the statutory dues with respect to employees of the above units w.e.f. 01st April, 2003 are payable by the licensee. Consequently no provision has been made in the financial statements for any expense pertaining to the above unit including for those relating to the employees for the period subsequent to 01st April, 2003. The company had terminated the said agreement with Vasundhara Texcom Pvt. Ltd. with effect from 1st May, 2013. However, all statutory liabilities in respect of employees for the said period from 1st April, 2003 to 30th April, 2013 shall be borne and paid by the licensee in terms of the agreement.
- 2.30 The Company had entered into an agreement with Adinath Cotton And Synthetic Spinners Private Limited (Adinath) on 23rd March, 2006 and 26th July, 2006 wherein, the doubling unit and single yarn unit of Synthetic and Cotton manufacturing unit which are under suspension of work w.e.f. 16th August, 2002 were given to Adinath w.e.f. 09th March, 2006 and 26th July, 2006 respectively as right to use for running such units with entitlement to use all existing fixed assets and other equipments belonging to the Company at such units. Since no production has been made in the unit directly by the Company during the year, no provision has been made for cost of employees relating to the unit.
- 2.31 Related party disclosure in accordance with the Accounting Standard 18 on "Related Party Disclosure" could not be done in absence of the relevant information available with the management. However, as apparent, from the financial statement drawn up for the year the following are the transactions:

With the key management personnels and their relatives

- (i) Mr. Sri B.K.Jalan - Managing Director
- (ii) Mr. Sri A.T. Jadhav - Whole Time Director
- (iii) Mr Tolaram Jalan-Father of Managing Director
- (iv) Tolaram & Son (HUF) - Mr Tolaram Jalan is Karta of HUF and Father of Managing Director

a) Minimum remuneration paid/ payable to the managing director and the whole time directors for the year

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Salary	11,77,200	6,85,200
Contribution to provident fund	27,720	25,320
Other Benefits	23,100	21,100
Total	12,28,020	7,31,620

Remuneration of Rs. 26,31,242 (including Rs. 5,80,566 for the year) is subject to approval of Central Government.



THE INDIA JUTE AND INDUSTRIES LIMITED

b) Aggregate amount of transaction with related party other than remuneration are as follows:

Particulars	Amount in Rupees	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Unsecured Loan taken		
Tolaram & Son (HUF)	7,000,000	20,500,000
B.K. Jalan	2,500,000	9,000,000
Unsecured Loan paid		
Tolaram & Son (HUF)	5,500,000	-
Neha Amitesh Goenka	-	2,500,000
B.K. Jalan	1,000,000	600,000
Closing balance		
Tolaram & Son (HUF)	27,500,000	26,000,000
B.K. Jalan	13,500,000	12,000,000

2.32 In view of the management, due to huge carried forward losses, unabsorbed depreciation and current year results, deferred tax assets are in much excess of the deferred tax liability which are not accounted for as there is no virtual certainty that there will be sufficient future taxable income.

2.33 C.I.F. Value of Imports

Particulars	Amount in Rupees	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Raw Materials	100,201,413	119,450,829

2.34 Expenditure in Foreign Currency

Particulars	Amount in Rupees	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Travelling Expenses	1,007,407	96,281

2.35 Value of Materials Consumed during the year

Particulars	Amount in Rupees			
	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Value	%	Value	%
Raw Materials				
Indigenous	-	0.00%	-	0.00%
Imported	138,369,398	100.00%	155,254,704	100.00%
	138,369,398	100.00%	155,254,704	100.00%
Stores & Spares				
Indigenous	1,042,469	100.00%	766,778	100.00%
Imported	-	0.00%	-	0.00%
	1,042,469	100.00%	766,778	100.00%



THE INDIA JUTE AND INDUSTRIES LIMITED

- 2.36 In line with Accounting Standard on Segment Reporting (AS-17) the Company has identified Jute Fine Yarn, Synthetic, Carpet and Trading as reportable business segment taking into account organization structure, manufacturing process. Jute fine yarn comprises of manufacturing jute yarn, textile business comprises of manufacturing of Synthetic & Cotton yarn, Carpet division comprises of manufacturing of Carpet and Trading division comprises of trading in textiles.

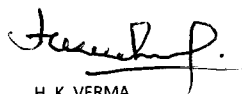
Reportable Segments	Amount in Rupees			
	Textile	Fine Yarn	Carpet	Total
1. Revenue From Operations				
External Sales/Services	276,881,321	18,806,927	-	295,688,248
	(262,529,085)	(16,525,770)	-	(279,054,855)
Inter Segment Sales/Services	-	-	-	-
Total Revenue	276,881,321	18,806,927	-	295,688,248
	(262,529,085)	(16,525,770)	-	(279,054,855)
2. Segment Result	18,649,277	-1,806,083	-235,561	16,607,633
	(17,518,413)	(-2,346,212)	(-114,556)	(15,057,645)
Unallocated Income	-	-	-	136,915
	-	-	-	(121,542)
Unallocated Expenses	-	-	-	9,431,725
	-	-	-	(8,636,836)
Net Profit / (Loss)	18,649,277	-1,806,083	-235,561	7,312,823
	(17,518,413)	(-2,346,212)	(-114,556)	(6,542,351)
3. Other Information				
Segment Assets	67,421,001	27,691,645	7,208,986	102,321,632
	(67,215,765)	(27,630,898)	(7,272,114)	(102,118,777)
Unallocated Assets				9,756,380
				(6,369,317)
Segment liabilities	43,926,984	20,436,174	1,482,753	65,845,911
	(48,734,706)	(17,699,929)	(1,310,322)	(67,744,957)
Unallocated Liabilities				133,884,807
				(135,708,666)
Capital Expenditure	3,100,784	-	-	3,100,784
	(4,489,310)	-	-	(4,489,310)
Depreciation	1,344,246	53,195	63,128	1,460,569
	(1,120,703)	(268,204)	(107,724)	(1,496,631)

*figures in bracket indicates previous year figures

- 2.37 Previous year's figures have been regrouped / re-arranged wherever considered necessary. Figures are rounded off to nearest rupee.

As per our report of even date

For LODHA & CO.
Chartered Accountants

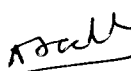

H. K. VERMA
Partner



Place : Kolkata
Date: 7th July, 2016

For and on behalf of Board of Directors


B. K. JALAN
Managing Director


ANIRUDDH T. JADHAV
Director