

THE JUTE CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)
15N, NELLIE SENGUPTA SARANI
KOLKATA 700 087

46TH ANNUAL REPORT

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THE JUTE CORPORATION OF INDIA LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)
15N, NELLIE SENGUPTA SARANI, KOLKATA-700 087

BOARD OF DIRECTORS

- | | | | |
|----|-------------------|---|---|
| 1. | DR. K.V.R. MURTHY | : | CHAIRMAN-CUM-MANAGING DIRECTOR (02.07.2016) |
| 2. | SRI A.M. REDDY | : | JOINT SECRETARY, MINISTRY OF TEXTILES,
NEW DELHI (23.03.2015) |
| 3. | SMT. BABNI LAL | : | ECONOMIC ADVISOR, MINISTRY OF TEXTILES,
NEW DELHI (18.06.2014) |
| 4. | CA P. DASGUPTA | : | DIRECTOR (FINANCE) (03.11.2014) |
| 5. | DR. SUBRATA GUPTA | : | CHAIRMAN-CUM-MANAGING DIRECTOR
(01.01.2016 TO 02.07.2016) |

SRI A. SAHA : COMPANY SECRETARY (03.08.2016)

AUDITORS : M/S. M.C. JAIN & CO., 33, BRABOURNE ROAD,
KOLKATA-700001, WEST BENGAL

AUDIT COMMITTEE

- | | | | |
|----|-------------------|---|-----------------------------------|
| 1. | SMT. BABNI LAL | : | CHAIRPERSON (18.06.2014) |
| 2. | SRI A.M. REDDY | : | MEMBER (23.03.2015) |
| 3. | DR. K.V.R. MURTHY | : | MEMBER (02.07.2016) |
| 4. | DR. SUBRATA GUPTA | : | MEMBER (01.01.2016 TO 02.07.2016) |

SRI A. SAHA : COMPANY SECRETARY (03.08.2016)

REGISTERED OFFICE : 15N, NELLIE SENGUPTA SARANI, KOLKATA-700 087.
website: www.jci.gov.in
E-mail: jci@jcimail.in



Dr. K. V. R. Murthy
Chairman-cum-Managing Director



Sri A. M. Reddy
*Joint Secretary (Jute),
Ministry of Textiles*



Smt. Babni Lal
*Economic Advisor,
Ministry of Textiles*



CA P. Dasgupta
Director (Finance)



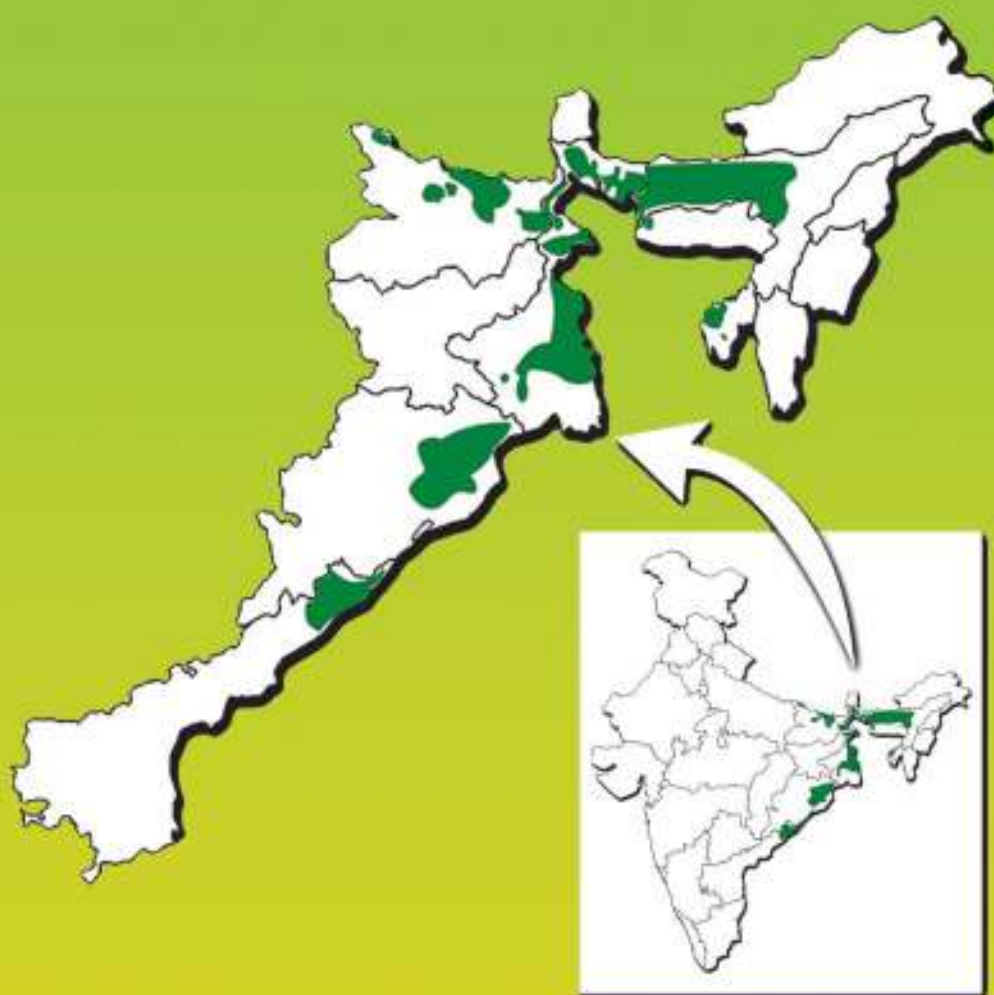
Dr. K.V.R. Murthy, CMD, JCI, Sri Anant Kumar Singh, Secretary, Textiles, Sri A.M. Reddy, Jt. Secretary and Sri S.R. Gaikwad, Director (Jute) during signing of the MoU-2017-18 with the Ministry of Textiles at New Delhi



The Jute Corporation of India Limited
भारतीय पटसन निगम लिमिटेड



JCI's NETWORK



This map is for reference only, not to scale

THE JUTE CORPORATION OF INDIA LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

15N, NELLIE SENGUPTA SARANI, KOLKATA-700 087

No. JCI/46th AGM/Sectt./2017-18

Dated: 13.10.2017

NOTICE OF THE 46TH ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-Sixth Annual General Meeting of The Jute Corporation of India Limited will be held on Monday, the 16th October, 2017 at 5.00 p.m at the Registered Office of the Corporation, 15N, Nellie Sengupta Sarani, Kolkata-700 087 to transact the following business:

ORDINARY BUSINESS :

1. To consider and adopt the Financial Statements for the year ended 31st March, 2017 together with the Reports of Auditors and Directors thereon.
2. To note the appointment and to fix the remuneration of the Statutory Auditors.

To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED

That pursuant to Section 139 of the Companies Act, 2013 (“The Act”) M/s. M. C. Jain & Co. Chartered Accountants, has been appointed as the Statutory Auditors of the Corporation for the year 2017-18 by the Comptroller & Auditor General of India, Under Section 142 of the Act the Board of Directors of the Corporation be and are hereby authorized to fix the remuneration, out of pocket expenses, Statutory Taxes and other ancillary expenses of the auditors for the Financial Year 2017-18”.

3. To declare a dividend of ₹55.20 per share for the year ended 31st March, 2017.

By Order of the Board of Directors

(Avik Saha)
Company Secretary

Registered Office : 15N, Nellie Sengupta Sarani, Kolkata-700 087.

Note : _____

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE FORTY-SIXTH ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF (SECTION 105). A PROXY NEED NOT BE A MEMBER OF THE CORPORATION. A BLANK FORM OF PROXY IS ENCLOSED WHICH, IF USED, SHOULD BE RETURNED TO THE CORPORATION DULY COMPLETED NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.



From the Chairman

Dear Members,

I welcome you all on behalf of the Board of Directors of The Jute Corporation of India Limited, on the occasion of the 46th Annual General Meeting of your Corporation.

I take this opportunity to express my heartfelt gratitude towards all of you, who have made it convenient to attend the meeting despite your busy schedules.

Now, I would like to make a precise presentation on the performance of your corporation during the Financial Year 2016-2017 touching upon the following areas:

Financial Results

During the period under review, your Corporation made a profit after tax of ₹919.80 lakh.

This was made possible with the devotion and hard work of the employees and timely decisions taken by your Corporation regarding purchase, sales and other activities, under the overall guidance and supervision of the Board of Directors and other senior officials of the Ministry of Textiles. It is a fact that the commitment made by your Corporation in the MOU and the fulfillment thereof has a direct bearing on the financial result 2016-17.

Market Outlook

The crop year 2016-17 begins with a carryover of 6 lakh bales from 2015-16. The forecast for total production of raw jute was 90 lakh bales (180 kgs. each) based on the crop prospect as per the reports received from different Regions as well as increase in the Minimum Support Price(MSP) by ₹500/- (₹3200 – ₹2700), as declared by the Govt. of India. But the actual production during the year was 92 lakh bales against the actual production of 65 lakh bales for the year 2015-16 and import from Bangladesh 4 lac bale. Out of this, the actual mill consumption was 70 lakh bales against estimated mill consumption 80 lakh bales and domestic consumption 10 lakh bales. So, there be a surplus of 22 lakh jute bales. The crop price ruled over MSP at the beginning of the season but later due to sufficient crop the price came down to MSP levels and even below it in some places. The crop prospect for the crop year 2017-18 appears to be encouraging.

Minimum Support Price Operation

The Commission for Agricultural Costs and Prices (CACP), Department of Agriculture & Co-operation, Govt. of India, recommended the Minimum Support Price (MSP) for TDN-3 (in lieu of TD5) all India basis which was accepted by the Government of India to ₹3,200/- per quintal for the crop year 2016-17. This MSP was higher by ₹500/- per quintal than MSP of the crop year 2015-16. The Office of the Jute Commissioner, in turn, fixed the MSP of different varieties and grades of raw jute, based on the declared MSP.

Your Corporation purchased 55580 bales of raw jute under MSP operations in the F.Y 2016-17.

MoU for 2016-17

The evaluation report for MoU 2016-17 has been submitted to the Department of Public Enterprises through Ministry of Textiles and the rating for your Corporation is still awaited and we are expecting a “Good” rating as it has performed well in achieving the non-financial parameters of the aforesaid MoU. However, under the Financial parameters your Corporation has performed satisfactorily other than the targets for Sales Turnover and Gross Operating Margin.

Corporate Social Responsibility

Your Corporation being a profit making organization is obliged under Section 135 of the Companies Act, 2013 to carry out CSR activities. Additionally, your Corporation is also obliged to involve in CSR activities as per guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSE) circulated by Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) Vide its Office Memorandum No.15(3)/2007-DPE(GM)-GI-99, dated 9th April, 2010.

During the Financial Year 2016-17 your Corporation had carried out CSR activities in the areas of Cleanliness drive in schools and cleaning/beautification/building of public toilets in the area around the HO at Kolkata, CSR activities at Girls’ Schools, Health check-up camps, Contribution to Thalassemia Society of India and creating awareness of the UPI scheme and opening of Bank accounts of farmers and other stakeholders related to the jute industry.

Corporate Governance

Your Corporation follows the existing corporate practice based on Companies Act, 1956/2013 as well as the revised Guidelines on Corporate Governance issued by the Central Government, being a mandatory one, keeping in view its basic requirement. In this year too, Your Corporation has also reported in detail in the Director’s Report on the Corporate Governance followed.

Your Corporation, is consistently making efforts to improve the corporate practice for utmost transparency and accountability in its operations, specifically keeping in mind the requirements of the new Companies Act, under which the concept of Corporate Governance has been elevated to a different level of importance and significance altogether.

Human Resource Management

Your Corporation is continuing its efforts through training and job rotations to enhance competence of its manpower to make them more resourceful in their present job and also to prepare them for future roles.

Industrial relations remained harmonious during the year under review.

Looking Ahead

Your Corporation always keeps its pace with the changing scenario to avail of all the benefits of the technological development. Accordingly, an integrated network based on Information Technology having its main centre in Kolkata, connecting all the Regional Offices with the Head Office which is being looked after by a band of dedicated IT Officers.

As you are aware your Corporation has set up an outlet, Sonali, through which the jute based handiwork of under privileged women are showcased and sold. Your Corporation has also taken initiative in distribution of certified Jute Seeds. Apart from this your Corporation has also undertaken the ICARE (Jute : Improved Cultivation and Advanced Retting Exercise) project whereby certified jute seeds are distributed to the farmers for better quality and yield. The objective of this project is to institutionalized the use of scientific agronomic practice which would imparted to jute growers.



As informed earlier your Corporation is the implementing agency for Common Facility Centre (CFC), an initiative of the National Jute Board which has been set up with an aim to provide livelihood/source of sustainable income to the Women Self Help Groups by training them to manufacture Jute Diversified Products (JDP).

The android based mobile application “Bhuvan Jump” developed by your Corporation in association with ISRO for assessment of jute crop has proved to be very useful. So far about 2100 nos. of field data has been transmitted to the ISRO server from different jute growing areas in the major jute growing states in order to make a scientific assessment of areas of jute cultivation for the crop year 2017-18.

As the total production of jute and its acreage is going down on a regular basis due to non realization of remunerative price by the farmers a mechanism in jute cultivation is very much essential. Towards this your Corporation has taken several initiatives in association with NJB and other stakeholders such as CRIJAF, IJIRA for reduction of cost of cultivation and better production and quality viz the projects

Further, your Corporation has also participated in national and international fairs like “INTEXPO 2017” at Dubai and Textiles India 2017 etc. in order to explore fresh avenues of business, keeping in mind its long term goal of diversification. Your Corporation is also in talks with well known brands like PATANJALI AYURVEDA, PUMPAHAR, TAJ BENGAL, SBI etc. for sale and marketing of Jute Diversified Products. Your Corporation is constantly making endeavors to explore fresh pastures for generation of avenues of alternate revenue.

Acknowledgements

I express my gratitude to the Ministry of Textiles, Office of the Jute Commissioner, National Jute Board and Officials of all other jute related bodies for their unstinted support and patronage for the activities of your Corporation.

I also take this opportunity to recognize the continued support received from the Staff Unions and Officers' Association to maintain the commitment of your Corporation towards the jute farmers as well as the jute sector as a whole.

Dr. K.V.R. Murthy
Chairman-cum-Managing Director

DIRECTORS' REPORT FOR THE YEAR 2016-17

Dear Shareholders,

It is my privilege to present before you on behalf of the Board of Directors, the 46th Annual Report on the performance of your Corporation together with the Auditors Report and Audited Accounts for the year 31st March, 2017, and the report of the Comptroller and Auditor General of India thereon.

The salient features of the workings of your Corporation are given below :

1. RAW JUTE DEMAND - SUPPLY SCENARIO

The crop year 2016-17 begins with a carryover of 6 lakh bales from 2015-16. The forecast for total production of raw jute was 90 lakh bales (180 kgs. each) based on the crop prospect as per the reports received from different Regions as well as increase in the Minimum Support Price(MSP) by ₹500/- (₹3200 – ₹2700), as declared by the Govt. of India. But the actual production during the year was 92 lakh bales against the actual production of 65 lakh bales for the year 2015-16 and import from Bangladesh 4 lac bale. Out of this, the actual mill consumption was 70 lakh bales against estimated mill consumption 80 lakh bales and domestic consumption 10 lakh bales. So, there be a surplus of 22 lakh jute bales. The crop price ruled over MSP at the beginning of the season but later due to sufficient crop the price came down to MSP levels and even below it in some places. The crop prospect for the crop year 2017-18 appears to be encouraging.

2. REVIEW OF OPERATION

2.1 Minimum Support Price Operation

The Commission for Agricultural Costs and Prices (CACP), Department of Agriculture & Co-operation, Govt. of India, recommended the Minimum Support Price (MSP) for TDN-3 (in lieu of TD5) all India basis which was accepted by the Government of India to ₹3,200/- per quintal for the crop year 2016-17. This MSP was higher by ₹500/- per quintal than MSP of the crop year 2015-16. The Office of the Jute Commissioner, in turn, fixed the MSP of different varieties and grades of raw jute, based on the declared MSP.

Your Corporation purchased 55580 bales of raw jute under MSP operations in the F.Y 2016-17. A summary of the Financial Position of MSP Operation for the year 2016-17 as per Draft Annual Account as on 31st March, 2017 is as under :-

Purchase Quantity (180 kg. Bale)	Purchase Value (₹ in lakh)	Operational Cost (₹ in lakh)	Sales Quantity (Bales)	Sale Value (net) (₹ in lakh)
55,580	2879.40	83.70	897	44.10
Closing Stock			55,236	2997.49
Overall Profit/(Loss) after tax				560.93



2.2 Commercial Operation

Your Corporation purchased 1,69,005 bales of raw jute under Commercial operations in the F.Y 2016-17. A summary of the Financial Position of Commercial Operation for the year 2016-17 as per Annual Account as on 31st March, 2017 is as under :-

Purchase Quantity (180 kg. Bale)	Purchase Value (₹ in lakh)	Operational Cost (₹ in lakh)	Sales Quantity (Bales)	Sale Value (net) (₹ in lakh)
1,69,005	10,399.35	498.06	70,012	5,053.67
Closing Stock			1,02,197	6,471.72
Overall Profit/ (Loss) after tax				324.32

3. FINANCIAL REVIEW

- 3.1 During the year under review, your Corporation procured around 55,580 bales of raw jute under MSP and 1,69,005 bales of raw jute under Commercial Operation.
- 3.2 The total turnover of your Corporation during 2016-17 was ₹63.30 crore. The Operating result shows a Net Profit after tax of ₹919.80 lakh after charging all Overhead Cost, Rent, Insurance, Interest, Depreciation and Provision for leave encashment benefit of retired employees. After considering the proposed dividend and distribution tax thereon which comes to ₹332.19 lakh and transferring the Residual Profit to the Reserves & Surplus Account, the carried over amount as in the aforesaid account as shown in the Balance Sheet is ₹10,860.74 lakh at the end of the year.
- 3.3 The financial results for the year under review has been summarized in Annexure-‘A’
- 3.4 Profit after tax is ₹919.80 lakh as compared to ₹1088.59 lakh of profit for the previous year.
- 3.5 The company’s earnings per share (Face Value ₹100/-) for 2016-17 is ₹184 as compared to ₹218 for the previous year.
- 3.6 Your Corporation has infrastructure and necessary working capital limit to achieve a reasonable raw jute turnover of more than ₹100 crores every year. However, the time span for getting linkage orders against MSP and lack of interest of Jute Mills in responding to Commercial Sale Tenders, restricted the total raw jute turnover to ₹5097.77 lakh (besides jute seeds and jute diversified products turnovers of ₹1214.17 lakh & ₹18.23 lakh respectively).
- 3.7 Proposed dividend including tax thereon comes to ₹332.19 lakh as compared to Nil for the previous year.

4. GRANT OF SUBSIDY TO MAINTAIN INFRASTRUCTURE FOR MINIMUM SUPPORT PRICE (MSP) OPERATION OF THE CORPORATION

Cabinet Committee on Economic Affairs (CCEA) have approved providing subsidy to your Corporation on continuous basis for maintaining its infrastructure for MSP operation irrespective of happening of actual MSP operation. Accordingly, CCEA vide its meeting dated 28.01.2015 have approved subsidy for four years i.e. Financial Years 2014-15, 2015-16, 2016-17 and 2017-18 at ₹55.00 crores, ₹52.11 crores, ₹49.38 crores and ₹46.78 crores respectively. Subsidy of Rs.49.30 crore for the Financial Year 2016-17 has been received by your Corporation.

5. MEMORANDUM OF UNDERSTANDING (MoU) – 2016-17

Your Directors are pleased to inform you that your Corporation has managed to attain “Very Good” grade for the year 2015-16. The scenario in 2016-17 is not very encouraging and your Corporation is expecting a “Good” grade as it has performed well in achieving the non-financial parameters of the aforesaid MoU. However, under the Financial parameters your Corporation has performed satisfactorily other than the targets for Sales Turnover and Gross Operating Margin. This has been possible due to the relentless hard work and commitment of the employees and able leadership by the dynamic Board of Directors of the Corporation.

Under the Memorandum of Understanding (MoU) 2016-17, your Corporation, inter-alia, is under obligation to fulfill the following :

(i) Efficiency Parameter (Physical Operations)

Online payment to jute farmers as percentage of total payments: Your Corporation managed to effect around 25% of its total payments to the farmers through the online bank transfer mode during the Financial Year 2016-17.

(ii) Technology Up-gradation

E-Tendering for Commercial Sales : During the Financial Year 2016-17 Your Corporation effected 98% of its sale of raw jute procured under Commercial Operation through web based/E-Tendering.

Apart from the above, the evaluation criteria for all the other MoU targets for the year 2016-17 are reflected in the Annual Accounts of the Corporation for the Financial Year 2016-17.

6. DIVERSIFIED COMMERCIAL ACTIVITIES

Sonali, the sales outlet of your Corporation for diversified jute products participates in the international Mega Trade Fair, Kolkata Book Fair and other such fairs organized from time to time by various forums. Presently, some renovation work is under way to give the outlet a face lift so that the same can be used more effectively for display and marketing of JDPs. Tie ups with various organizations including CPSEs and Banks have been successfully executed in the past and a few more such tie-ups are in the offing in the immediate future. Plans are being formulated for expanding the business area of Sonali and the process of enlisting new entrepreneurs and show casing their unique creations is ongoing.

7. SOCIAL COST- BENEFIT ANALYSIS

In order to protect the interest of millions of jute growers in the country the Govt. of India has introduced the concept of Minimum Support Price (MSP) of raw jute. Under this scheme procurement of raw jute is done at the declared MSP when the ruling market price is at or below the aforesaid declared MSP. The Govt. has entrusted the responsibility of carrying out this MSP operation to your Corporation. Your Corporation is the Nodal Agency for MSP operations in raw jute in the country.

In addition to the above, your Corporation also undertakes various projects. Your Corporation has



Procurement of raw jute in progress



set up an outlet, Sonali, through which the jute based handiwork of under privileged women are showcased and sold. Your Corporation has also taken initiative in distribution of certified Jute Seeds. Apart from this your Corporation has also undertaken the ICARE (Jute : Improved Cultivation and Advanced Retting Exercise) project whereby certified jute seeds are distributed to the farmers for better quality and yield. The objective of this project is to institutionalized the use of scientific agronomic practice which would imparted to jute growers providing the following inputs:

1. Providing 100% Certified Jute Seeds (with 50% subsidy)
2. Demonstration of scientific jute cultivation practice for adoption at farmers' field with mechanical intervention using seed drill, Nail Weeder/Cycle Weeder.
3. Demonstration/distribution of microbial retting using CRIJAF SONA, a microbial consortium (free of cost).

Activities under this project are being carried out in phases. The first phase in 2015 was a roaring success. Looking at the popularity and acceptance of the scheme among the farmer community, your Corporation in association with local cooperative bodies has more than doubled its reach both in terms of area and numbers in the Financial Year 2016-17. During the year under review, the ICARE scheme covered an area of 24005 hectare and registered 53060 nos. of farmers.

As informed in the last Annual Report your Corporation is the implementing agency for Common Facility Centre (CFC), an initiative of the National Jute Board which has been set up with an aim to provide livelihood/source of sustainable income to the Women Self Help Groups by training them to manufacture Jute Diversified Products (JDP).

The android based mobile application "Bhuvan Jump" developed by your Corporation in association with ISRO for assessment of jute crop has proved to be very useful. So far about 2100 nos. of field data has been transmitted to the ISRO server from different jute growing areas in the major jute growing states in order to make a scientific assessment of areas of jute cultivation for the crop year 2017-18.

8. MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry structure and developments

At the beginning of the crop year 2016-17, the market price of raw jute prevailed over MSP and in order to achieve the procurement target set under the MoU 2016-17, your Corporation under took commercial operations and procured 3 lakh qntls. of raw jute. Simultaneously, your Corporation also made endeavors to dispose of the procured raw jute and was successful in selling out 1.25 lakh qntls. (approx) of raw jute through open tender. Subsequently, due to various factors beyond the control of your Corporation, the market behaved in a manner that commercial operations had to be aborted. Due to this peculiar market behavior the price of raw jute touched MSP levels in some areas. Your Corporation being the Nodal Agency of the Govt. of India for carrying out MSP operations, was obliged to procure raw jute on offer at MSP and procured 1 lakh qntls.(approx) as detailed in Para 2.1.

b) Opportunities and Threats / Risks & Concerns

• Opportunities

- In view of rising concern for environment and global warming, jute products are getting preference over other substitutes. Demand for diversified jute goods is increasing due to its functional value and increasing awareness for use of biodegradable products.
- There may be opportunities for export of jute products at attractive prices, which in turn may result in an increase in demand for raw jute.

• Risks & Concerns / Threats

- Due to low production, the price of raw jute generally prevails over the MSP determined by the Government as a result it is becoming difficult for your Corporation to procure raw jute under MSP.
- It is also risky to procure raw jute at ruling price for commercial operation.

c) Outlook

Your Corporation has taken all steps to purchase and store all the raw jute to be offered at MSP by the farmers. Your Corporation will continue to make all out efforts to improve its overall performance in the years to come.

d) Internal control systems and their adequacy

Your Corporation has developed robust and comprehensive system of internal control towards achieving efficient resources, cost control, compliance with statutory requirements and ensuring reliability of financial reporting. The Audit Committee reviews the internal audit reports, financial performance of your Corporation and suggests improvements to strengthen internal control system.

e) Discussion on financial performance with respect to operational performance

The following are the significant areas of financial performance during the year under review:

- Procurement of raw jute under MSP was ₹2879.40 lakh during the year as compared to ₹0.91 lakh during the previous year.
- Procurement of raw jute under Commercial Operations was ₹10399.35 lakh during the year as compared to ₹456.72 lakh during the previous year.
- Sale of raw jute procured under MSP was ₹44.10 lakh during the year as compared to ₹12.36 lakh during the previous year.
- Sale of raw jute procured under Commercial Operations was ₹5053.67 lakh during the year as compared to ₹1477.26 lakh during the previous year.
- Operating profit (before tax) of your Corporation has reduced by ₹539.85 lakh during the year under review (from ₹1828.85 lakh in 2015-16 - ₹1289.00 lakh in 2016-17), mainly on account of increase in employee benefit expenses and administrative overheads, including godown rent, maintenance expenses and statutory payments.

f) Human Resource and Industrial Relations

Your Corporation is continuing its efforts through training and job rotations to enhance competence of its manpower to make them more resourceful in their present job and also to prepare them for future roles. In this regard your Corporation has imparted training to 78 numbers of its employees, mainly in the areas of GST Implementation and Modern Office Management.

Industrial relations remained harmonious during the year under review.

g) Cautionary statement

Statement made in this section of the report is based on assumptions and expectations of further events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference include change in financial support to your Corporation by the government, change in government regulations, industrial relations environment in the industry and other factors like litigation.

9. CORPORATE SOCIAL RESPONSIBILITY

Your Corporation being a profit making organization is obliged under Section 135 of the Companies Act, 2013 to carry out CSR activities. Additionally, your Corporation is also obliged to involve in CSR activities as per guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSE) circulated by Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) Vide its Office Memorandum No.15(3)/2007-DPE(GM)-GI-99, dated 9th April, 2010.

Your Corporation has constituted a committee for CSR activities consisting of Chairman-cum-Managing Director, Jt. Secretary (Jute) and Director (Finance).



A cheque being handed over to The Thalassemia Society of India by Director (Finance) under CSR Programme

During the Financial Year 2016-17 your Corporation had to spend an amount of ₹33.90 lakh as per calculation in compliance with Section 135 of the Companies Act, 2013. Within this budget your Corporation carried out the following activities :

Sl. No.	Activity	Budget (₹ in lakh)
1.	Cleanliness drive in schools (under outreach programmes) and cleaning/beautification/building of public toilets in the area around the HO at Kolkata with particular stress on the ground-floor.	8.5
2.	CSR activities at Girls' Schools	6
3.	Health check-up camps through reputed NGOs with proven record in similar activities.	13
4.	Contribution to Thalassemia Society of India	3.4
5.	Expenses towards organizing workshops for creating awareness of the UPI scheme and opening of Bank accounts of farmers and other stakeholders related to the jute industry	3
	TOTAL:	33.90

N.B: Most of the activities mentioned above have already been carried out while the others are in the process of being completed shortly.

A Statement on CSR activities for the Financial Year 2016-17 is given as Annexure-C.

10. CORPORATE GOVERNANCE

- A) In 1971, your Corporation was incorporated as a Private Limited Government Company under the Companies Act, 1956(the Act). The main object was to provide a remunerative price to the growers in the form of Minimum Support Price (MSP) when the market price of the raw jute rules below or at the MSP. The fund provided by the Ministry of Textiles (MoT) is utilized for conducting MSP

operation keeping in view its most efficient utilization. Your Corporation consistently sought to improve a better utilization of the Government exchequer with utmost transparency and accountability.

B) Board of Directors as on 31.03.2017 - Pursuant to the Articles of Association of your Corporation all the Directors are appointed by the President of India.

Sl. No.	Name	Designation	Total No. of Board Meetings	No. of Board Meetings during the tenure of the Director	No. of Board Meetings attended	Whether last AGM Attended (30.09.2016)
1.	Dr. K.V.R. Murthy (DIN: 07628725) (from 02.07.2016)	CMD	5	4	4	Yes
2.	Dr. Subrata Gupta (DIN: 00139487) (from 01.01.2016) (up to 02.07.16)	CMD	5	1	1	NA (Not in the Board at the time of AGM)
3.	Smt. Babni Lal (DIN:06952358) (from 18.06.2014)	Govt. Director	5	5	4	NA
4.	Sri A.M. Reddy (DIN:06633791) (from 23.03.2015)	Govt. Director	5	5	5	NA
5.	CA. P. Dasgupta (DIN:07059472) (from 03.11.2014)	Director (Finance)	5	5	5	Yes
Date of Board Meetings : 28.06.2016, 29.08.2016, 28.09.2016, 21.12.2016 & 28.03.2017						

C) Audit Committee - The Audit Committee of your Corporation was constituted in 2001 in accordance with Section 292A of the Act and regulations incidental/ancillary thereto to follow a good corporate practice keeping in view its basic requirement. The quorum of the Audit Committee is two members.

The present Committee is comprised of:

1. Smt. Babni Lal, Govt. Director - Chairman
2. Sri A.M. Reddy , Govt. Director - Member
3. Dr. K.V.R. Murthy , CMD - Member

The Director (Finance) is a permanent invitee to the Audit Committee Meetings.

The Company Secretary acts as a Secretary to the Committee.

A Brief description of terms of reference of the Committee is :

- a) Review of the Company's financial statements and other reports from time to time.
- b) Reviewing with the Management and the Auditors, the Annual Financial Statements and Reports before submission to the Board, focusing primarily on :



- i) Any changes in Accounting Policies and Practices.
- ii) Qualifications and significant adjustment arising out of Audit.
- iii) The going concern assumption.
- iv) Compliance with Accounting Standards.
- v) Transactions of material nature involving Management or their relatives.
- vi) To recommend to the Board for fixation of Audit fees.
- vii) To approve the payment to Statutory Auditors for any other services rendered by them.
- viii) To review with the Management and ensuring that the company's annual financial statements and audit are in compliance with applicable laws, regulations and company policies before submission to the Board for approval.
- ix) To review with the Management the performance of Internal Auditors and adequacy of the Internal Control Systems.
- x) To seek information from any employee of the Corporation.
- xi) To secure help of outside legal or any other experts when necessary.
- xii) To mitigate conflicts of interest by strengthening auditor independence.
- xiii) To ensure the effectiveness of internal controls and risk management.
- xiv) To protect employees and others who report infractions to the Internal Audit function or the external auditors (to protect whistle blowers).
- xv) To review the management discussion and analysis of financial condition and results of operations.
- xvi) Reviewing with the Management and Auditors, the adequacy of internal control systems, Internal Audit function, reporting structure coverage and frequency of Internal Audit.
- xvii) Reviewing the Company's financial and other management policies.

To deal with such other matters as may be referred to it by the Board in writing or as it considers necessary in the interest of the Organisation.

Sl.No.	Name	Designation	Total No. of Audit Committee Meetings	No. of Audit Committee Meetings during the tenure of the Director	No. of Audit Committee Meetings Attended
1.	Smt. Babni Lal (from 18.06.2014)	Govt. Director	5	5	4
2.	Sri A.M. Reddy (from 23.03.2015)	Govt. Director	5	5	5
3.	Dr. K.V.R. Murthy (from 02.07.2016)	CMD	5	4	4
4.	Dr. Subrata Gupta	CMD (up to 02.07.16)	5	1	1
Date of Audit Committee Meetings : 28.06.2016, 29.08.2016, 28.09.2016, 21.12.2016 & 28.03.2017					

d) General Body Meetings :

		2013-14 (43rd AGM)	2014-15 (44th AGM)	2015-16 (45th AGM)
1.	Date	10.10.2014	30.09.2015	29.09.2016
2.	Time	11.30 A.M.	4.00 P.M	4.00 P.M
3.	Venue	Office of the Jute Commissioner, Salt Lake, Kolkata	Registered Office of the Corporation, Kolkata	Registered Office of the Corporation, Kolkata

e) Disclosure :

- i) Disclosure required under the Companies Act, 2013, Accounting Standard Practice and other applicable Acts/Rules.
- ii) No penalties/stricture imposed on the Corporation during the last three years.
- iii) Employees are free to report of violation of Rules/Regulations to their Supervisors/ CVO/CMD.
- iv) The requirement as specified in the Guidelines have been complied with as far as possible/applicable to it.
- v) Presidential Directives issued by the Central Government have been complied with.
- vi) No such expenditure which is not for the purpose of the business booked in the Books of Account.
- vii) No personal expenditure is incurred but the expenditure incurred as accommodation charges etc. for the Directors in connection with Meetings.

Other Information :

i) Board/Audit Committee Meetings and procedure –

The Minimum Number of Meetings of Board/Audit Committee as required under the Companies Act, 2013 are held every year. The information usually placed before the Board includes :

- a) Confirmation of the Minutes.
- b) Follow-up Action.
- c) Report on Marketing of Raw Jute.
- d) Distribution of Jute Seeds.
- e) Report on progress of Jute Technology Mission (MM III)
- f) Legal Matters.
- g) Report on Vigilance.
- h) Report on Statutory Compliance.
- i) Annual Accounts.
- j) Auditors.
- ii) Agenda for Board/Audit Committee Meetings – On fixation of dates of Board /Audit Committee Meetings, the Chairman-cum-Managing Director, makes a discussion with the Departmental Heads



and directs about the Agenda papers which is submitted to the Company Secretary within a stipulated time. The Agenda papers are circulated to the Directors/Members. Similarly, Draft Minutes of the Meeting are circulated to the Directors/Members for their consideration.

- iii) Post Meeting Follow-up Mechanism – Follow-up Report on the Decisions recorded in the drafts Minutes of the previous meeting are discussed at the immediately succeeding meeting of the Board/Committee.
- iv) Recording of Minutes at Board/Committee Meetings – The Company Secretary records the Minutes of the proceedings of each Board/Committee Meeting. The Minutes after being approved by the Chairman is put to circulation to all the Directors/Members. The Minutes is subsequently confirmed in the following Meeting of the Board/Committee and entered in the Minutes Book accordingly.

g) Quarterly Report :

Your Corporation files quarterly report to the Ministry of Textiles in the prescribed format stipulated by the Department of Public Enterprise, Ministry of Heavy Industries and Public Enterprise as a part of Corporate Governance. A consolidated report is also sent to the DPE.

- h) Adoption of Code of Business Conduct and Ethics for Board Members and Senior Management, Risk Management – Fraud Prevention Policy and Whistle Blower Policy as a part of Corporate Governance:

Your Corporation has evolved a Code of Conduct, Risk Management-Fraud Prevention Policy and Whistle Blower Policy based on the guidelines of the Corporate Governance of Central Public Sector Enterprises (CPSEs) which were adopted by the Board of Directors. A copy of each such policy has been placed on the web-site : www.jci.gov.in

11. DIVIDEND

As per directives of the Govt. of India, your Directors consider recommending of payment of dividend for the year-ended 31st March, 2017 @ ₹55.20 per share to its shareholder i.e. Govt. of India. The total outgo in the form of dividend, including taxes will be ₹3.32 crore. The payment of dividend is subject to approval of the members in the ensuing 46th AGM of your Corporation

12. AN OVER – VIEW OF THE FINANCIAL PERFORMANCE IN 46 YEARS

A scanning of the financial performance of your Corporation during 46 years since inception to 2016-17 with reference to Profit & Loss and Subsidy Account is given in Annexure-B.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act 2013, the Board of Directors of your Corporation confirm that;

- (i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departure, if any, as indicated separately in Notes on Accounting Policy;
- (ii) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit and loss of the company for that period;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the

- company and for preventing and detecting fraud and other irregularities;
- (iv) They had prepared the Annual Accounts on a going concern basis;
 - (v) The Company being unlisted, sub clause (e) of Section 134 (3) of the Companies Act, 2013, pertaining to laying down internal financial controls is not applicable to it;
 - (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

14. AUDIT OBSERVATIONS AND COMMENTS ON ACCOUNTS

Observations of the Statutory Auditors under the Companies Act, 2013, as amended, on the Accounts of the Corporation for the year under review is being submitted.

15. HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS

Your Corporation with a view to advance and upgrade the knowledge of its employees has made necessary arrangements for training in GST Implementation and Modern Office Management to keep pace with the latest development. A total of 78 employees of your Corporation have undergone such trainings.

The Industrial Relation in your Corporation is cordial. A portal (CPENGRAMS) has been launched by the Department of Administrative Reforms & Public Grievances for online lodging and redressal of General/Pension related grievances.



JCI being conferred with the "Best Employer Award" by the World HRD Congress

16. RIGHT TO INFORMATION ACT, 2005

Your Corporation implemented the Right to Information Act, 2005 with the appointment of a Central Public Information Officer at Head Office, Public Information Officer at Regional Offices and Appellate Authority. Your Corporation has also appointed a Transparency Officer as per direction of the Ministry of Textiles. The information sought for is supplied within stipulated time. A Portal has been launched by the Central Information Commission with a view to make available Annual Return, Master Updation and RTI Manuals/ Disclosure.

17. MANPOWER

There were 363 number of regular and 211 number of casual employees in your Corporation as on 31.03.2017.

18. SC/ST/OBC STATUS

There were 56 No. of SCs, 23 No. of STs and 28 No. of OBCs as permanent employees in the Corporation as on 31.03.2017.

19. FAMILY WELFARE

The Corporation made every effort to comply with instructions issued by the Government of India from time to time on family welfare measures.

20. COMPLIANCE WITH GOVT. DIRECTIVE ON SEXUAL HARASSMENT

There was no complaint referred to the Committee as on date.

21. A SUMMARY REGARDING ACTIVITIES UNDERTAKEN BY THE CORPORATION FOR THE WELFARE OF THE PERSONS WITH DISABILITY

Though, there is no budgetary allocation for the physical handicapped persons (as no such specific scheme is assigned to the Corporation), expenditure on conveyance allowance is being allowed for them which is double the amount of conveyance allowance paid in normal cases. As a result 12 (twelve) number of physically handicapped employees of the Corporation as on 31.03.2017, are being benefited.

22. PROPAGATION OF OFFICIAL LANGUAGE

Your Corporation has been implementing the Official Language Policy according to the Annual Programme drawn up by the Department of Official Language, Ministry of Home Affairs. The employees at Head Office and Regional Offices are undergoing training in Hindi. Hindi Day was celebrated on 14.9.2016 and Hindi fortnight was also observed between 1st September, 2016 to 13th September, 2016 when competitions and programme in Hindi were organised in the H.O. and the ROs as well as prizes were given to the participants to encourage use of Hindi in Your Corporation. A Hindi Kavi Sammelan was organised at the Head Office of your Corporation to mark the Hindi day. Quarterly Review Meetings are being held on regular basis to review the progress of implementation of Hindi as an Official Language and the progress is being reported to the Board regularly in its Meeting.



CMD and C(V&A) receiving an award of TOLIC (PSUs), Kolkata for Excellent Work in Rajbhasa from His Excellency Sri Kesahri Nath Tripathy, Hon'ble Governor of West Bengal

23. PROGRAMME ON VIGILANCE AWARENESS

Vigilance Awareness Programme was observed from 31.10.2016 to 05.11.2016. During the said week, pledge was taken by the Employees to bring transparency in all spheres of activities and work for eradication of corruption. The walls of the building housing the Corporation's head office were pasted with posters and banners propagating the importance of vigilance and its awareness. An interactive session was organised wherein Sri Rakesh Kumar CVO, Hindusthan Copper Ltd. was invited as the Chief Guest who interacted with the employees about various vigilance issues like preventive measures to be adopted, the possible impediments in implementing a proper vigilance process. The different measures to overcome them, the challenges faced by the vigilance department of the Corporation owing to scarcity of manpower on account of retirement of regular employees and so on.



24. BOARD OF DIRECTORS

Dr. Subrata Gupta relinquished his additional charge as CMD w.e.f 02.07.2016. The Board placed on record its appreciation for the valuable services rendered by Dr. Subrata Gupta during his tenure as CMD of your Corporation.

Dr. K.V.R. Murthy, IRTS, joined the Corporation as its Chairman-cum-Managing Director w.e.f 02.07.2016. The Board of Directors welcomed Dr. Murthy for joining the Board as CMD of the Corporation.

However, in compliance with the guidelines issued by the Deptt. of Public Enterprises, your Corporation has taken necessary steps for the appointment of Independent Directors.

25. EXTRACT OF ANNUAL RETURN

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

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

I REGISTRATION AND OTHER DETAILS

i) CIN	U17232WB1971GOI027958
ii) Registration Date	02/04/1971
iii) Name of the Company	The Jute Corporation of India Limited
iv) Category / Sub-Category of the Company	Company Limited by shares/Union Government Company
v) Address of the Registered office and contact details	15N-Nellie Sengupta Sarani, 7 th Floor, Kolkata-700 087 Telephone: 033 2252 7027/7028 Fax: 91 33 2252 1771 / 7390
vi) Whether listed company Yes / No	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

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	Trading and distribution of jute seeds, jute & its allied products.		100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of The Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
NA	NA	NA	NA	NA	NA



IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(1) Indian									
a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	500000	500000	100	Nil	500000	500000	100	Nil
c) State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	Nil	500000	500000	100	Nil	500000	500000	100	Nil
(2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	Nil	500000	500000	100	Nil	500000	500000	100	Nil
B. Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Fund	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual share-holders holding nominal share capital upto ₹1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual share-holders holding nominal share capital in excess of ₹1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B) = (B)(1)+(B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	Nil	500000	500000	100	Nil	500000	500000	100	Nil



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	President of India	500000	100	Nil	500000	100	Nil	Nil
	Total	500000	100	Nil	500000	100	Nil	Nil

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

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	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year	NA	NA	NA	NA

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

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
	President of India				
	At the beginning of the year	500000	100	500000	100
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)	NA	NA	NA	NA

(v) Shareholding of Directors and Key Managerial Personnel:

	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	₹46.48 Lac	-	-	₹46.48 Lac
• Reduction	-	-	-	-
Net Change	₹46.48 Lac			₹46.48 Lac
Indebtedness at the end of the financial year:				
i) Principal Amount	₹46.48 Lac	-	-	₹46.48 Lac
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	₹46.48 Lac			₹46.48 Lac

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your Corporation being a Central Public Sector Enterprise (Government Company), the appointment and performance evaluation of Directors both executive and non-executive are made by the Govt. of India. Remuneration to the functional directors are made as per terms of their appointment by Govt. of India.

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	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS:					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT:					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS & OUTGO

As follow up of the energy audit carried out, high energy consuming lights were replaced by low energy consuming lights.

Refinement of decorticator machine with adjustable spring loading roller attachment along with field demonstration, at different jute growing states.

27. FOREIGN TOUR

A three member contingent of your Corporation headed by CMD participated in the international trade show “INTEXPO 2017” at Dubai in February, 2017. The main objective of participation in the aforesaid trade fair was to explore new avenues of marketing and identifying of potential customers for Jute Diversified Products produced at the Common Facility Centres being run by your Corporation funded by NJB. The response generated at the stall put up by JCI was very encouraging and the JDPs like Fashion Bags, Versatile utility and carrying bags, braided jute items like Floor Carpets, Table Mats, Coasters, Table Runners, jute based stationary items like Files – Folders, Jute based Showpieces and Gift items were widely appreciated. Participating in “INTEXPO 2017” has given your Corporation the much needed international exposure and if the response received is anything to go by, we could hope for business enquiries from regions around Middle East in the near future.

28. PARTICIPATION IN TEXTILES INDIA 2017

Ministry of Textiles organized an international trade fair by the name of “Textiles India 2017” at Ahmedabad from 30th June to 2nd July 2017. It was a major fair with focus on textiles and had some very prominent countries taking part in the same. Your Corporation also made its presence felt in the “Textiles India 2017” with full vigor and put up a beautiful pavilion to showcase its various activities and JDPs sourced from the CFCs maintained by it. Samples of real jute plant and raw jute were on display at the pavilion to give the visitors an idea of jute as a whole and its importance and utility. Your Corporation’s pavilion won many accolades and was appreciated by one and all. It was also one of the most popular pavilions and attracted heavy footfalls. Participation in the Textiles India 2017 has provided your Corporation with a solid platform for propagating its activities and products to many new National and International customers. Your Corporation resolves for more active participation in the future edition of Textiles India.



Sri Anant Kumar Singh, Secretary, Textiles and CMD during the unveiling of the Corporation’s Stamp at Textiles India, 2017 at Gandhinagar, Gujarat

29. 23rd MEETING OF THE HINDI SALAHKAR SAMITY OF THE MINISTRY OF TEXTILES

Your Corporation had the privilege of being the nodal organization for hosting the 23rd meeting of the Hindi Salahkar Samity of the Ministry of Textiles held on 27th December, 2016 at Kolkata. The prime responsibility of making arrangement for the entire event was entrusted on your Corporation. The meeting was held at the prestigious J. W. Marriot Hotel at Kolkata and was chaired by the Hon’ble Minister of State for Textiles Sri A. Tamta. Many dignitaries illuminated the occasion with their gracious presence. Your Corporation was highly appreciated for successfully hosting the Salahkar Samity Meeting.



CMD and other officials of JCI with Sri A. Tamta, Hon’ble MoS for Textiles, during the 23rd Meeting of the Hindi Salhakar Samiti at Kolkata

30. STATUTORY AUDITORS

M/s. M.C. Jain, Chartered Accountants, Kolkata, has been appointed as the Statutory Auditors of your Corporation for the Year 2017-18 by the Comptroller & Auditor General of India Under Section 139 of the Companies Act, 2013, as amended.

31. ACKNOWLEDGEMENT

Your Directors are grateful to various Ministries of the Government of India particularly the Ministry of Textiles, the Ministry of Finance, the Department of Public Enterprises, the Office of the Jute commissioner

and the National Jute Board for their support and guidance to your Corporation from time to time. They are also grateful for the co-operation received from the Commission for Agricultural Costs and Prices, State Governments, Agriculture and Co-operation Departments, State Apex Co-operative Organisations, the Directorate of Jute Development. The Directors thank to the Reserve Bank of India, the State Bank of India, the Central Bank of India, the Punjab National Bank, the United Commercial Bank, the Canara Bank, the Vijaya Bank and other Bankers for their association and necessary support. The Directors are also thankful to M/s. Ghosal & Ghosal, Internal Auditor, M/s. M.C. Jain & Co., Chartered Accountants, the Statutory Auditors, the Principal Director of Commercial Audit and the Office of the Registrar of Companies and the Ministry of Corporate Affairs for their support and guidance.

Finally, your Directors wish to place on record their appreciation for the co-operation shown by the Staff, Officers and other stakeholders of your Corporation.

For and on behalf of the Board of Directors

Place : Kolkata

Dated: 26.09.2017

(Dr. K.V.R. Murthy)

Chairman-cum-Managing Director



'Swachhta Hi Seva' being observed at Head Office at Kolkata



World Yoga Day being celebrated on 21.06.2017 at Head Office of the Corporation



JCI's Pavilion at Textiles India, 2017 at Gandhinagar Gujarat

ANNEXURE - 'A'

FINANCIAL RESULTS 2016-17

(₹ in Lakh)

	Internal Raw Jute			Diversified	
	Price Support	Commercial	Jute Seed	Jute Products	Total
INCOME					
Sales	44.10	5053.67	1214.17	18.23	6330.17
Interest	726.52	0	0	1.18	727.70
Subsidy from Government (MSP)	4938.00	0	0	0	4938.00
Other Credits	282.83	0	0	0	282.83
Transfer from Internal Raw Jute	5.10	0	0	0	5.10
Closing Stock	2997.49	6471.72	0	5.11	9474.32
Prior period adjustment	58.10	0	0	0	58.10
Total	9052.14	11525.39	1214.17	24.52	21816.22
EXPENDITURE					
Opening Stock	18.18	161.71	0	0	179.89
Purchase	2879.40	10399.35	1160.28	21.85	14460.88
Trading Expenses	83.70	498.06	2.12	0	583.88
Godown Rent & Insurance	118.95	7.02	0	0.01	125.98
Transfer from Internal Raw Jute	0	5.10	0	0	5.10
Overhead	5157.87	0	0	5.07	5162.94
Prior period adjustment	0	0	0	0	0
Total	8258.10	11071.24	1162.40	26.93	20518.67
Surplus (+)/Deficit (-) one year's Operation Before Interest and Depreciation					
	794.04	454.15	51.77	-2.41	1297.55
Interest	0.48	0	0	0	0.48
Depreciation and Amortization	8.06	0	0	0	8.06
Provision for Income Tax	224.57	129.84	14.80	0	369.21
Profit(+)/loss(-) for the year	560.93	324.31	36.97	-2.41	919.80
Proposed Dividend	0	0	0	0	276.00
Dividend Distribution Tax on Proposed Dividend	0	0	0	0	56.19
Net Surplus for the year	0	0	0	0	587.61
Reserve & Surplus as on 31.03.2016	0	0	0	0	10273.13
Reserve & Surplus as on 31.03.2017	0	0	0	0	10860.74



ANNEXURE - 'B'

**SCANNING OF THE PROFIT & LOSS SINCE
INCEPTION - 46 YEARS (FROM 1971-72 TO 2016-17)**

		₹ in Crore
	Cumulative upto 2016-17	Percentage of various items to Total Expenditure of ₹4,653.79
I. Income		
Sales	3,162.79	
Subsidy from Government (MSP)	578.32	
Subsidy from Government (Seeds)	14.93	
Special subsidy from West Bengal (MSP)	1.55	
Other Income	243.79	
Closing Stock	94.74	
	4,096.12	88
II. Expenditure (Excluding Overhead & Interest)		
Purchase	2,606.10	
Trading & Operational Expenses	298.65	
Warehousing	92.70	
Insurance	32.11	
Prior period & other adjustments	16.08	
	3,045.64	65
III. Surplus before overhead & Interest (I-II)	1,050.48	
IV. Less : Overhead	1,025.23	22
V. Surplus/(Deficit) before interest(III-IV)	25.25	
VI. Add : Interest on borrowings	(582.92)	13
	(557.67)	
VII. Income Tax (1973-74, 1976-77, 2004-05, 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 & 2016-17)	52.29	
Fringe Benefit Tax (2005-06 to 2008-09)	0.37	
Dividend to Govt. including distribution tax (1971-72, 1973-74 & 2016-17)	3.39	
Loss :	(613.72)	
VIII. Subsidy credited in Accounts (up to 2002-03)	555.20	
IX. Accumulated Loss up to 2002-03 written off as a result of Financial Restructuring	144.17	
X. Capital Profit as a result of Financial Restructuring	22.96	
XI. Profit (balancing figure) up to Financial Year 2016-17 carried over in the Balance Sheet (VIII+IX+X-VII)	108.61	

ANNEXURE - 'C'

ANNUAL REPORT ON CSR ACTIVITIES

<p>1 A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.</p>	<p>JCI being a profit making organization has to carry out CSR activities under Section 135 of the Companies Act, 2013. Additionally, the Corporation is also obliged to involve in CSR activities as per guidelines on Corporate Social Responsibility (CSR) for Central Public Sector Enterprises (CPSE) circulated by Ministry of Heavy Industries and Public Enterprises (Department of Public Enterprises) Vide its Office Memorandum No.15(3)/2007-DPE(GM)-GI-99, dated 9th April, 2010.</p> <p>Programmes planned and budgeted during F.Y 2016-17</p> <ol style="list-style-type: none"> 1. Cleanliness drive in schools (under outreach programmes) and Cleaning/beautification/building of public toilets in the area around the HO at Kolkata with particular stress on the ground-floor. 2. CSR activities at Girls' School 3. Health check-up camps through reputed NGOs with proven record in similar activities. 4. Contribution to Thalassemia Society of India. 5. Expenses towards organizing workshops for creating awareness of the UPI scheme and opening of Bank accounts of farmers and other stakeholders related to the jute industry
<p>2 The composition of the CSR Committee</p>	<ol style="list-style-type: none"> 1. Chairman-cum-Managing Director, JCI 2. Joint Secretary (Jute), Ministry of Textiles, Government of India 3. Director (Finance), JCI
<p>3 Average net profit (before tax) of the company for last three financial years (2013-14, 2014-15 & 2015-16)</p>	<p>₹16,95,05,278/-</p>
<p>4 Prescribed CSR Expenditure (two per cent of the amount as in term 3 above)</p>	<p>₹33,90,105/-</p>
<p>5 Details of CSR spent during the financial year</p> <ol style="list-style-type: none"> 1) Total amount to be spent for the financial year 2) Amount unspent, if any; 3) Manner in which the amount spent during the financial year 	<ol style="list-style-type: none"> 1) ₹33,90,105/- 2) 16.89 lakh - to be spent in F.Y 2017-18 in addition to CSR budget of 2017-18. 3) The manner in which the amount spent is detailed in Table below:

Table: Details of CSR amount spent for 2016-17

Sl.	CSR Project	Sector	ProjectState/ District	Amount (in ₹)
I	Cleanliness drive in schools (under outreach programmes) and Cleaning/beautification/building of public toilets in the area around the HO at Kolkata with particular stress on the ground-floor.	Swachh Bharat/ Sanitation	West Bengal & Assam	3,20,668/-
II	Health check-up camps through reputed NGOs with proven record in similar activities.	Health	West Bengal & Assam	9,40,127/-
III	Contribution to Thalassemia Society of India.	Health	All India	3,40,000/-
IV	Expenses towards organizing workshops for creating awareness of the UPI scheme and opening of Bank accounts of farmers and other stakeholders related to the jute industry	Rural Development	West Bengal	1,00,000/-
Total				17,00,795/-

6	Reason for not spending the amount earmarked	Completion of respective initiatives were in process at year end. Planned to be completed and spent in 2017-18 as mentioned in Sl. No.2.
7	Statement from the CSR Committee	The CSR Committee confirms that the expenditure on CSR has been carried out in conformity with CSR activities outlined as briefed in Para-1.

Table - Details of amount spent against unspent amount towards CSR expenditure budget for the Financial Year 2015-16 (spent in Financial Year 2016-17)

Activity	Amount (In ₹)
Renovation of Ladies Toilets under Swachh Vidyalaya Campaign.	7,31,000
Contribution to Prime Minister's Relief Fund	8,27,000
Contribution to Swachh Bharat Kosh	1,56,000
Total	17,14,000

The total expenses for CSR incurred during 2016-17 was ₹34,14,795/- which is comprised of unspent CSR budget of F.Y 2015-16 of ₹17,14,000/- which was spent in 2016-17. Unspent budget of ₹16.89 lakh of the F.Y 2016-17 is planned to be spent in 2017-18 for which a suitable note has been included in the annual accounts of 2016-17.

5 YEARS PERFORMANCE TREND

₹ in Lakh

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
A OPERATING STATISTICS					
Turnover	11279.01	12574.94	8945.39	2134.02	6330.17
Other Income	6182.31	6874.60	6322.53	6096.21	5948.53
Expenditure	15561.84	17797.06	13655.19	6395.47	11047.80
Prior Period Adjustment (Net)	1.71	5.38	3.51	5.9	[58.10]
Profit before Tax	1897.77	1647.10	1609.21	1828.84	1289.00
Tax	561.00	660.00	595.62	715.00	353.00
Deferred Tax Expenses	-	-	[41.46]	25.25	16.21
Profit After Tax	1336.77	987.10	1055.05	1088.60	919.80
Dividend including Dividend Tax	-	-	-	-	332.19
Amount transfer to General Reserve	1336.77	987.10	1055.05	1088.60	587.61
B FINANCIAL POSITION					
Capital Employed	7650.16	8637.26	9684.54	10773.13	11360.74
Non-Current Assets	258.28	254.38	292.03	249.62	243.64
Current Assets	15695.66	16456.15	16193.99	17235.87	19074.52
Equity & Liabilities :					
i) Share Capital	500.00	500.00	500.00	500.00	500.00
ii) Reserve & Surplus	7150.16	8137.26	9184.54	10273.13	10860.74
Non-current Liabilities	3337.12	3084.16	4178.11	3722.76	3446.25
Current Liabilities	4966.66	4989.11	2623.37	2989.6	4511.17
C RATIOS					
PBT / Turnover	0.17	0.13	0.18	0.86	0.20
PAT / Turnover	0.12	0.08	0.12	0.51	0.15
PBT / Capital Employed	0.25	0.19	0.17	0.17	0.11
PAT / Net Worth	0.17	0.11	0.11	0.10	0.08
Turnover/Net Worth (Number of times)	1.47	1.46	0.92	0.20	0.56
Trade Receivable/Turnover (%)	10.44	3.07	7.88	8.16	0.93



CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
The Jute Corporation of India Limited,
15N, Nellie Sengupta Sarani,
Kolkata-700 087

We have examined the compliance of the conditions of Corporate Governance by The Jute Corporation of India Limited (the “Company”) for the year ended 31st March, 2017 as stipulated in the Guidelines on Corporate Governance (the “guidelines”) for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, Govt. of India vide OM No.18(8)/2005-GM dated 14th May, 2010.

The compliance of the conditions of Corporate Governance is responsibility of the management of the Company. Our examination has been limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said guidelines except :-

- i. *Clause 3.1.4 of the guidelines:* that in case of non listed CPSE at least one third of the Board Member should be Independent Directors.
- ii. *Clause 3.3.1 of the guidelines:* that time gap between two board meetings should be not more than three months.
- iii. *Clause 4.1.1 of the guidelines:* that two-third of the member of Audit Committee shall be Independent Directors.
- iv. *Clause 4.1.2 of the guidelines:* that Chairman of the Audit Committee shall be an Independent Director.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M. C. JAIN & CO.
CHARTERED ACCOUNTANTS
(ICAI Reg. No.304012E)

(M. K. PATAWARI)
PARTNER
M. No.056623

33, Brabourne Road, Kolkata-700 001.
The 4TH Day of September, 2017

FIELD OFFICES

As on 31.3.2017

State	Region	No. of DPCs
West Bengal	1. Barasat	13
	2. Sheoraphully	9
	3. Krishnagar	15
	4. Bethuadahari	11
	5. Berhampore	13
	6. Malda	10
	7. Siliguri	10
	8. Coochbehar	9
Bihar	1. Purnea	8
	2. Saharsa	9
Assam/Meghalaya	1. Nagaon	10
	2. Dhubri	5
	3. Guwahati	7
Tripura	Agartala	2
Odisha	Bhadrak	6
Andhra Pradesh	Parvatipuram	4
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INDEPENDENT AUDITOR'S REPORT

To the Members of

THE JUTE CORPORATION OF INDIA LIMITED

Report on the Financial Statements

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

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 the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 & 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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 controls 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

1. The company does not have any system to call for balance confirmations in respect of debit/credit balances of sundry debtors, sundry creditors, advance from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Parties debit/credit balances in so far as these have not been subsequently realized or discharged are subject to confirmation/reconciliation. Consequential revenue impact if any is presently not ascertainable. (Refer Note 07,08,14 & 16)
2. The company has debited an amount of ₹2,19,83,738 to its Profit and Loss account for expenditure on account of Leave Encashment Benefit on Retirement based on Actuarial Valuation Report whereas amount for corresponding previous year was ₹25,40,965 The steep variance remains unexplained with full fact and figures. Consequential revenue impact if any is presently not ascertainable. (Refer Note 20)
3. Liability for Expenses & Other Payables includes an amount of ₹1,45,61,323 for Suspense Gratuity/ Posthumous Benefit for which necessary explanations and details were not made available to us and remains unverified. Consequential revenue impact if any is presently not ascertainable. (Refer Note 8)
4. Liability for Expenses & Other Payables includes an amount of ₹15,13,96,679 being credit balance in ledger account of outstanding liabilities. This account has not been reconciled and item wise break of balance outstanding as on 31.03.2017 was also not made available to us and remains unverified. Consequential revenue impact if any is presently not ascertainable. (Refer Note 8)
5. Liability for Expenses & Other Payables includes following amounts for which necessary explanation and details were not made available to us and remains unverified. Consequential revenue impact if any is presently not ascertainable. (Refer Note 8)-
 - Employers Contribution to Union Fund ₹87,741/-
 - Salary Saving Scheme ₹32,196/-
6. Earnest Money Deposit aggregating to ₹3,20,73,212 outstanding as on 31.03.2017 includes Earnest Money Deposit of ₹2,07,63,500 received from various Jute Mills during the year which remains unverified as necessary details/ documents were not made available to us. Further party wise break up of deposits aggregating to ₹7,12,915 was also not made available and remains unverified. Consequential revenue impact if any is presently not ascertainable. (Refer Note 8)
7. Security Deposit aggregating to ₹5,40,242 outstanding as on 31.03.2017 includes ₹4,26,028 for which party wise details was not made available and remains unverified. Consequential revenue impact if any is presently not ascertainable. (Refer Note 12)
8. The amount paid by the company for VAT/Sales Tax relating to Sales made is not adjusted with VAT/ Sales Tax so collected and both the amounts are separately held in the accounts as Advance Sales Tax/ VAT and Provision for VAT/Sales Tax. It is noticed from year/item wise break-up of Advance Sales Tax/ Vat aggregating to ₹3,29,05,275 as on 31.03.2017 and provisions for Sales Tax/VAT aggregating to ₹3,13,48,556 held as on 31.03.2017 that for most of the year amount of Advance Sales Tax/VAT paid is not matching with the provision held which remains unexplained. Further year wise details were not made available for Provision of ₹46,75,050 held for Sales Tax and remains unverified. Consequential revenue impact if any is presently not ascertainable. (Refer Note 16)



9. Following balance held in the accounts are subject to confirmation/reconciliation. Consequential revenue impact if any is presently not ascertainable. (Refer Note 8 & 16)-
- National Jute Board ₹23,67,536 (Dr.)
 - Jute Technology Mission ₹10,29,105 (Cr.)
10. Note 8 & 16 - The company has debited Gratuity Receivable Account by ₹2,49,83,843 on 31.03.2017 by giving corresponding credit to Suspense Gratuity/ Posthumous Account for amount to be received from Life Insurance Corporation of India towards gratuity payable to regular employees retired as on year end date. In our opinion this entry should not have been accounted for in books in FY 2016-17, as entry in the nature of reimbursement, needs to be passed only in the year in which the sums are received and reimbursed resulting in overstatement of current asset by ₹2,49,83,843 and overstatement of current liabilities by equivalent amount.

Qualified Opinion

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

Emphasis of Matters

Attention is drawn to the following matters in the notes to financial statements:-

1. Note No.24- Item wise details of Godown Rent paid of ₹1,16,88,349 as debited to Profit and Loss account and Income Tax deducted at source thereon was not made available to us and hence we could not verify whether TDS has been deducted in all applicable cases.
2. Note No.8- An amount of ₹74,12,821 is held in Claims payable account for provisions made in earlier years during the period from 2009-10 to 2013-14 for possible liability that may arise for quantitative and qualitative claim lodged by the buyers. However quantum/ details actually lodged by the buyers and pending for settlement was not made available to us.
3. Note No.8- Liability for Expenses & Other Payables includes liability for Lorry Freight and Market Levy payable pertaining to earlier years which remains unpaid since long, quantum of which is not readily ascertainable from available information.
4. Note No.8- Advance from Customers of ₹2,31,02,972 outstanding as on 31.03.2017 includes balances aggregating to ₹76,26,915 which are outstanding for more than three years.
5. Note No.4 & 15- Interest received on term deposit held for JTM, Retting Tank and Manual Development Ribboner Project & IJSG is credited to respective Projects however TDS on interest received and accrued is being claimed by the company.
6. Note 7 & 15- The Company is not applying proper accounting treatment for recording entries for funds received from National Jute Board Authority and utilization thereof for Project I-Care, Project Decoricator Machine, Project Saturation, Project Saturation, Project Enjyme Retting, Common Facilitation Centre and Pilot Project and in consequence thereof income of ₹59,60,024 has been booked during the year by crediting Prior Period Adjustment A/c. The Debit/Credit balances held in the accounts in respect of these projects and NJBA are subject to confirmation and reconciliation.

7. Note 16 - Advance to other parties includes a sum of ₹8,46,522 being expense recoverable from godown owners, incurred by the company on godown repairs and renewals. Item wise details of same was not made available to us and therefore remains unverified at our end. However company has provided for the entire amount as and provision of ₹8,46,522 is held in the accounts.
8. Note 20 - Market Levy @1% is payable on total Commercial & MSP purchases of Jute and accordingly on total purchases of ₹132,78,73,336 accounted during the year market levy of ₹1,32,78,754 should have been debited to Profit & Loss Account against which amount of ₹69,99,184 only is debited to Profit & Loss A Account. We are explained that market levy has been paid/ provided to the extent demand has been raised by Regulatory Market Committee.
9. Note 8 - The company has opted for Group Gratuity Scheme administered by Life Insurance Corporation of India to discharge its liability for Gratuity Payable to its Regular Employees. Accordingly, yearly contribution as per demand raised by Life Insurance Corporation of India is paid by the company and in turn Life Insurance Corporation of India settles and remits the amount for gratuity payable to the regular employees on their retirement. However it is noticed that there is debit balance of ₹1,04,22,520 in Suspense Gratuity/ Posthumous Benefit Account as on 31.03.2017 (after netting off Gratuity Receivable of ₹2,49,83,843 as on 31.03.2017) representing thereby that company to the extent of ₹1,04,22,520 has disbursed retirement benefit to its employees during the year without receiving the funds from Life Insurance Corporation of India.
10. Note 18 & 20 - The company purchases Jute seeds from market at pre contracted rate and sale it to dealers and farmers at cost plus pre decided fixed margin. However it is noticed that during the year company has booked jutes seeds purchases of ₹59,82,440 for the crop season 2015-16 whereas the corresponding sale is only for ₹55,79,361 resulting in net loss of ₹4,03,079.

Our Opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller and Auditor General of India has issued directions indicating the areas to be examined in terms of sub- section (5) of Section 143 of the Act, the compliance of which is set out in "Annexure B".
3. As required by Section 143 (3) of the Act, we report that:
 - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (ii) 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;
 - (iii) 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;
 - (iv) In our opinion the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (v) In terms of Notification No. G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, the provisions of Section 164(2) of the Act regarding disqualification of directors, are not applicable to the company.
- (vi) With respect to 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 C” and
- (vii) 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:
 - a. The Company has disclosed the impact of pending litigations on its financial statement. Refer Note No.28 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - d. The Company has provided requisite disclosures in the financial statements as regards its dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For M. C. JAIN & Co
CHARTERED ACCOUNTANTS
(ICAI Reg No.304012E)

(M. K. PATAWARI)
(PARTNER)
M. NO. 056623

33, Brabourne Road, Kolkata-1.
The 4TH Day of September, 2017

**ANNEXURE-A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING
“REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS”
OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF
THE JUTE CORPORATION OF INDIA LIMITED**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed Assets of the Company have been physically verified by the management at reasonable intervals. As informed to us, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of the examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management at reasonable intervals. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of accounts.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans or made any investments or given any guarantee and provided any security covered under Sections 185 and 186 of the Companies Act, 2013. Accordingly provisions of clause 3(iv) of the Order are not applicable to the company.
- (v) The company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act, and the Rules framed there under to the extent notified.
- (vi) The maintenance of cost records for the products of the Company has not been specified by the Central Government under sections 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 and on the basis of our examination of the records of the company, amounts deducted/accrued in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. We are informed that Employees' State Insurance Scheme is not applicable to the Company. According to the information and explanations given to us, except Service Tax dues of ₹1,55,000 for FY 2015-16 and ₹54,369 for FY 2016-17 and Income Tax dues 6,77,691 for AY 2004-05 no undisputed amount in respect of aforesaid statutory dues were in arrears, as at 31st March, 2017 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us and as per the records of the company, the following statutory dues have not been deposited on account of dispute:-

Statute	Nature of Dues	Forum where dispute is pending	Amount involved (₹ in Lacs)	Period to which related
Income Tax Act, 1961	Income Tax	As informed to us the company has initiated the process for taking remedial measure and application to vacate the demand will be filed with the Assessing Officer soon.	108.23	A.Y.2004-05
Income Tax Act, 1961	Income Tax	As informed to us the company has initiated the process for taking remedial measure and application to vacate the demand will be filed with the Assessing Officer soon.	99.25	A.Y.2005-06
Income Tax Act, 1961	Income Tax	As informed to us the company has initiated the process for taking remedial measure and application to vacate the demand will be filed with the Assessing Officer soon.	0.15	A.Y.2007-08
Income Tax Act, 1961	Income Tax	As informed to us the company has initiated the process for taking remedial measure and application to vacate the demand will be filed with the Assessing Officer soon.	1170.57	A.Y.2008-09
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	868.44	A.Y.2009-10
Income Tax Act, 1961	Income Tax	Assessing Officer	22.28	A.Y.2013-14

- (viii) In our opinion and according to the explanations given to us and based on our audit procedures performed the company has not defaulted in repayment of dues to the bank. The Company did not have any outstanding dues in respect of financial institution or to government during the year and there were no outstanding debentures.
- (ix) In our opinion and as per the information and explanations given to us, the Company has not received any money by way of initial public offer/further public offer/ debt instrument and term loan. Accordingly provisions clause 3(ix) of the Order is not applicable to the Company.
- (x) Based on our audit procedures and as per information and explanations given to us, no fraud by the company or any fraud on the company, by any person including its officers/employees, has been noticed or reported during the year.
- (xi) As per Notification No.GSR 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 not applicable to the Company. Accordingly, provisions of clause 3(xi) of the Order is not applicable to the Company.

- (xii) 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 are not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013, wherever applicable, and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) Based on our audit procedures and as per the information and explanations given to us, 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 are not applicable to the company.
- (xv) In our opinion and as per the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly provisions of clause 3(xv) of the Order are not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For M. C. JAIN & CO
CHARTERED ACCOUNTANTS
(ICAI Reg. No. 304012E)

(M. K. PATAWARI)
PARTNER
M. No. 056623

33, Brabourne Road, Kolkata-1
The 4TH Day of September, 2017

**ANNEXURE-B REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING
“REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS”
OF OUR REPORT ON EVEN DATE TO THE MEMBERS OF
THE JUTE CORPORATION OF INDIA LIMITED**

Sl. No.	Directions	Reply								
1	Whether the Company has clear title/lease deeds for freehold and lease hold land respectively? If not, please state area of freehold and leasehold land for which title/lease deeds are not available.	The company has only one leasehold property for which title deed is available.								
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	<p>Write offs are done case to case basis with the approval of competent authorities. The details of the waiver/write off of debts/loans/interest is given below along with major reasons thereof:</p> <table><tr><th>Sl. No.</th><th>Nature of Dues</th><th>Amount involved (in ₹)</th><th>Major reasons for waiver/write off</th></tr><tr><td>1</td><td>Debit Balance of Sundry Debtors Written off</td><td>317082</td><td>Old balance and remote chance of realisation.</td></tr></table>	Sl. No.	Nature of Dues	Amount involved (in ₹)	Major reasons for waiver/write off	1	Debit Balance of Sundry Debtors Written off	317082	Old balance and remote chance of realisation.
Sl. No.	Nature of Dues	Amount involved (in ₹)	Major reasons for waiver/write off							
1	Debit Balance of Sundry Debtors Written off	317082	Old balance and remote chance of realisation.							
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from Government and other authorities.	In our opinion and according to explanations given to us no inventories are lying with third parties. As informed, the company has not received any assets as gift/grant(s) from Government and other authorities.								

For M. C. JAIN & CO.
CHARTERED ACCOUNTANTS
(ICAI Reg. No. 304012E)

(M. K. PATAWARI)
PARTNER
M. No. 056623

33, Brabourne Road, Kolkata-1
The 4TH Day of September, 2017

**ANNEXURE-C REFERRED TO IN PARAGRAPH 3(VI) UNDER
THE HEADING “REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS”
OF OUR REPORT OF EVEN DATE**

Report on the Internal Financial Controls 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 JUTE CORPORATION OF INDIA LIMITED (“the Company”) as of 31 March 2017 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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.

Opinion

In our opinion, 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 31 March 2017, 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.

For M. C. JAIN & CO.
CHARTERED ACCOUNTANTS
(ICAI Reg. No. 304012E)

(M. K. PATAWARI)
PARTNER
M. No. 056623

33, Brabourne Road, Kolkata-1.
The 4TH Day of September, 2017.

**MANAGEMENT REPLY TO THE OBSERVATIONS MADE BY THE
STATUTORY AUDITORS ON THE ACCOUNTS OF THE
CORPORATION FOR THE YEAR 2016-17**

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
	PART I : Basis for qualified opinion:	
1.	The company does not have any system to call for balance confirmations in respect of debit/ credit balances of sundry debtors, sundry creditors, advance from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances. Parties debit/credit balances in so far as these have not been subsequently realized or discharged are subject to confirmation/reconciliation. Consequential revenue impact if any is presently not ascertainable.	As was committed while replying to a similar audit point pertaining to FY 2015-16, a system of seeking confirmation of balances from debtors/creditors, was introduced in this year and a few specimen were shown to auditors. Since, JCI basically procures jute from farmers against instant payment and sale to customers against advance payment/ instant collection against letters of credit, it has very limited quantum of debtors/creditors in the current period and are totally under control. As regards very old debtor/creditor balances, a thorough review is in progress and corrective measures will continue.
2.	The company has debited an amount of ₹2,19,83,738 to its Profit and Loss account for expenditure on account of Leave Encashment Benefit on Retirement based on Actuarial Valuation Report whereas amount for corresponding previous year was ₹25,40,965 The steep variance remains unexplained with full fact and figures. Consequential revenue impact if any is presently not ascertainable.	It was explained to the auditors that, the amount referred herein for FY 2015-16 is the cumulative impact of actuarial valuation of leave encashment for 2014-15 and 2015-16 taken together, whereas, the amount referred for FY 2016-17 is the actual actuarial valuation of leave encashment for this year itself.
3.	Liability for Expenses & Other Payables includes an amount of ₹1,45,61,323 for Suspense Gratuity/ Posthumous Benefit for which necessary explanations and details were not made available to us and remains unverified. Consequential revenue impact if any is presently not ascertainable.	It was explained to the auditors that, the credit balance in the subject account is net impact of discharge of gratuity liabilities as well as due to booking of an entry towards a receivable amount from the Bank account of the Gratuity Trust, as transfer of that amount was pending as at the year end.
4.	Liability for Expenses & Other Payables includes an amount of ₹15,13,96,679 being credit balance in ledger account of outstanding liabilities. This account has not been reconciled and item wise break of balance outstanding as on 31.03.2017 was also not made available to	The Schedule of Outstanding Liability for expenses etc. as referred herein, was presented to the auditors for verification. Very old balances in some cases, have been taken up for a thorough review process. As disclosed in Note No.19 to the Accounts, a

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
	us and remains unverified. Consequential revenue impact if any is presently not ascertainable.	considerable portion has been written back during the year after review. A similar review process is still on in the ongoing FY 2017-18.
5.	<p>Liability for Expenses & Other Payables includes following amounts for which necessary explanation and details were not made available to us and remains unverified. Consequential revenue impact if any is presently not ascertainable.</p> <ul style="list-style-type: none"> • Employers Contribution to Union Fund ₹87,741/- • Salary Saving Scheme ₹32,196/- 	Respective balances as on 31.03.2017 as are referred herein, have been settled subsequently with the respective internal entities, in ongoing FY 2017-18.
6.	Earnest Money Deposit aggregating to ₹3,20,73,212 outstanding as on 31.03.2017 includes Earnest Money Deposit of ₹ 2,07,63,500 received from various Jute Mills during the year which remains unverified as necessary details/ documents were not made available to us. Further party wise break up of deposits aggregating to ₹7,12,915 was also not made available and remains unverified. Consequential revenue impact if any is presently not ascertainable.	EMD Schedule was submitted for verification along with supporting documents of the major items as are included therein. In this case too, a thorough review process has been taken up with regard to very old balances.
7.	Security Deposit aggregating to ₹5,40,242 outstanding as on 31.03.2017 includes ₹4,26,028 for which party wise details was not made available and remains unverified. Consequential revenue impact if any is presently not ascertainable.	The opening balance in the Security Deposit account as referred herein, was duly audited by the auditor while certifying the accounts for FY 2015-16. The matter will further be reviewed in the ongoing year.
8.	The amount paid by the company for VAT/Sales Tax relating to Sales made is not adjusted with VAT/ Sales Tax so collected and both the amounts are separately held in the accounts as Advance Sales Tax/VAT and Provision for VAT/ Sales Tax. It is noticed from year/item wise break-up of Advance Sales Tax/ VAT aggregating to ₹3,29,05,275 as on 31.03.2017 and provisions for Sales Tax/VAT aggregating to ₹3,13,48,556 held as on 31.03.2017 that for most of the year amount of Advance Sales Tax/VAT paid is not matching with the provision held which remains unexplained. Further year wise details were not	In the Annual Accounts: 2016-17, the net position on this account, which is a net advance, has been presented under the major classification of Current Assets. In the Ledger, the provision and advance shown separately for many past years have been maintained for ease in review of the matter and for better control in this regard. An effort has now been initiated to call for old assessment/tax return records as may be available to summarize the position logically without losing the control.

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
	made available for Provision of ₹46,75,050 held for Sales Tax and remains unverified. Consequential revenue impact if any is presently not ascertainable.	
9.	Following balance held in the accounts are subject to confirmation/reconciliation. Consequential revenue impact if any is presently not ascertainable. • National Jute Board ₹23,67,536 (Dr.) • Jute Technology Mission ₹10,29,105 (Cr.)	As regards balance in accounts of National Jute Board, the matter of confirmation has been taken up with them. For Jute Technology Mission, JCI itself is the implementation agency and as such, the question of obtaining confirmation from the party does not arise.
10.	The company has debited Gratuity Receivable Account by ₹2,49,83,843 on 31.03.2017 by giving corresponding credit to Suspense Gratuity/ Posthumous Account for amount to be received from Life Insurance Corporation of India towards gratuity payable to regular employees retired as on year end date. In our opinion this entry should not have been accounted for in books in FY 2016-17, as entry in the nature of reimbursement, needs to be passed only in the year in which the sums are received and reimbursed resulting in overstatement of current asset by ₹2,49,83,843 and overstatement of current liabilities by equivalent amount.	The Gratuity Trust of JCI, which is an internal entity, has already received the related amount from LIC in FY 2016-17 itself. The receivable entry, as referred by auditors, has been passed in the books of JCI, as the actual transfer of said amount from the Bank account of the Trust to Bank account of JCI was pending as on 31.03.2017. As such there is no under/over statement of current assets/liabilities as referred by the auditors.
	Part II :Emphasis of Matters	
1.	Item wise details of Godown Rent paid of ₹1,16,88,349 as debited to Profit and Loss account and Income Tax deducted at source thereon was not made available to us and hence we could not verify whether TDS has been deducted in all applicable cases.	The schedule of Godown rent was presented to the auditors along with instances of a few cases with TDS details (as there were a large no. of cases of rent payment). It is confirmed that, we follow the system of TDS deduction from rent payment as statutorily required.
2.	An amount of ₹74,12,821 is held in Claims payable account for provisions made in earlier years during the period from 2009-10 to 2013-14 for possible liability that may arise for quantitative and qualitative claim lodged by the buyers. However quantum/ details actually lodged by the buyers and pending for settlement was not made available to us.	Claims are provided for against lodging of same, whereas, claims are settled on ascertainment of final tenability and mutual agreement, which may take a considerable time after making of provision for claims. We have undertaken a thorough review process in this area and as disclosed in Note No.19 to the Accounts, a considerable portion has been

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
		written back during the year after review. A similar review process is still on in the ongoing FY 2017-18.
3.	Liability for Expenses & Other Payables includes liability for Lorry Freight and Market Levy payable pertaining to earlier years which remains unpaid since long, quantum of which is not readily ascertainable from available information.	Same reply, as given for Part I – Sl.4.
4.	Advance from Customers of ₹2,31,02,972 outstanding as on 31.03.2017 includes balances aggregating to ₹76,26,915 which are outstanding for more than three years.	The matter will be reviewed for undertaking necessary corrective measures.
5.	Interest received on term deposit held for JTM, Retting Tank and Manual Development Ribboner Project & IJSG is credited to respective Projects however TDS on interest received and accrued is being claimed by the company.	The practice, as referred herein, has been consistently followed for many years throughout respective project lives. However, the matter will be further reviewed for undertaking applicable changes in future.
6.	The Company is not applying proper accounting treatment for recording entries for funds received from National Jute Board Authority and utilization thereof for Project I-Care, Project Decoricator Machine, Project Saturation, Project Saturation, Project Enjyme Retting, Common Facilitation Centre and Pilot Project and in consequence thereof income of ₹59,60,024 has been booked during the year by crediting Prior Period Adjustment A/c. The Debit/Credit balances held in the accounts in respect of these projects and NJBA are subject to confirmation and reconciliation.	As was advised out by the auditors for FY 2015-16, the NJB account has been segregated project wise in FY 2016-17. The entry referred by the auditor is actually a corrective measure to clear old non-tenable balances.
7.	Advance to other parties includes a sum of ₹8,46,522 being expense recoverable from godown owners, incurred by the company on godown repairs and renewals. Item wise details of same was not made available to us and therefore remains unverified at our end. However company has provided for the entire amount as and provision of ₹8,46,522 is held in the accounts.	As referred by auditors themselves, the amount has been suitably provided for in our books.

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
8.	Market Levy @1% is payable on total Commercial & MSP purchases of Jute and accordingly on total purchases of ₹1,32,78,73,336 accounted during the year market levy of ₹1,32,78,754 should have been debited to Profit & Loss Account against which amount of ₹69,99,184 only is debited to Profit & Loss Account. We are explained that market levy has been paid/ provided to the extent demand has been raised by Regulatory Market Committee.	The matter as referred by the auditors, has been suitably disclosed in Note no.29.1 to the Accounts.
9.	The company has opted for Group Gratuity Scheme administered by Life Insurance Corporation of India to discharge its liability for Gratuity Payable to its Regular Employees. Accordingly, yearly contribution as per demand raised by Life Insurance Corporation of India is paid by the company and in turn Life Insurance Corporation of India settles and remits the amount for gratuity payable to the regular employees on their retirement. However it is noticed that there is debit balance of ₹1,04,22,520 in Suspense Gratuity/ Posthumous Benefit Account as on 31.03.2017 (after netting off Gratuity Receivable of ₹2,49,83,843 as on 31.03.2017) representing thereby that company to the extent of ₹1,04,22,520 has disbursed retirement benefit to its employees during the year without receiving the funds from Life Insurance Corporation of India.	This matter has already been explained in Replies to points raised in Sl. 3 and 10 of Part I.
10.	The company purchases Jute seeds from market at pre contracted rate and sale it to dealers and farmers at cost plus pre decided fixed margin. However it is noticed that during the year company has booked jutes seeds purchases of ₹59,82,440 for the crop season 2015-16 whereas the corresponding sale is only for ₹55,79,361 resulting in net loss of ₹4,03,079.	It was explained to the auditors that, jute seeds procurement and sales are accounted for on Financial Year basis and NOT on Crop Year basis, As such, there was no loss in FY 2016-17 on this account.



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE
FINANCIAL STATEMENTS OF THE JUTE CORPORATION OF INDIA LIMITED,
KOLKATA, FOR THE YEAR ENDED 31 MARCH 2017.**

The preparation of financial statements of The Jute Corporation of India Limited, Kolkata for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04.09.2017.

I, on the behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of The Jute Corporation of India Limited, Kolkata for the year ended 31 March 2017 under section 143(6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India.

(REENA SAHA)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata
Date: 12.09.2017

BALANCE SHEET AS AT MARCH 31, 2017

(Amounts in ₹)

Particulars	Note No.	As at 31/03/2017	As at 31/03/2016
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3(A)	5,00,00,000	5,00,00,000
Reserves and Surplus	3(B)	1,08,60,73,944	1,02,73,13,056
Non-Current Liabilities			
Other Long Term Liabilities	4	19,81,60,853	19,64,06,824
Long Term Provisions	5	14,64,63,475	17,58,69,246
Current Liabilities			
Short-Term Borrowings	6	46,48,275	-
Trade Payables	7	11,10,70,010	5,18,85,067
Other Current Liabilities	8	25,83,62,238	15,88,19,439
Short-Term Provisions	9	7,70,37,511	8,82,55,739
TOTAL		193,18,16,306	174,85,49,370
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	2,35,23,826	2,29,13,634
Intangible Assets		6,767	1,716
Deferred Tax Assets (Net)	11	-	16,20,654
Long Term Loans and Advances	12	5,40,242	4,26,028
Current Assets			
Inventories	13	94,74,32,490	1,79,88,948
Trade Receivables	14	58,82,534	1,74,07,815
Cash and Cash Equivalents	15	87,93,31,987	1,65,53,26,744
Short term Loans and Advances	16	5,53,07,440	44,30,315
Other Current Assets	17	1,97,91,020	2,84,33,516
TOTAL		193,18,16,306	174,85,49,370
General Information & Significant Accounting Policies	1&2		
Other Notes to Financial Statement	27-41		
The notes referred to above form integral part of these financial Statement.			

As Per our Report of even date

For M.C. JAIN & CO.

Chartered Accountants

Firm Registration Number: 304012E

(Mukesh Kumar Patawari)**PARTNER**

(M.N. 056623)

Place: Kolkata

Date: 04.09.2017

(Avik Saha)

Company Secretary

For and on behalf of the Board

(CA P. Dasgupta)

Director (Finance)

DIN: 07059472

(Dr. K.V.R. Murthy)

Chairman and Managing Director

DIN: 07628725

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

(Amounts in ₹)

Particulars	Note No.	As at 31/03/2017	As at 31/03/2016
I. Revenue			
Revenue from Operations	18	63,30,17,437	21,34,01,792
Other Income	19	60,06,62,548	60,90,30,675
Total Revenue		1,23,36,79,985	82,24,32,467
II. Expenses			
Cost of Trading Goods & Direct Expenses	20	1,48,58,47,360	11,53,78,413
Changes in Inventories of Trading Goods	21	(92,94,43,542)	5,98,25,530
Employee Benefits Expenses	22	46,82,67,892	41,53,12,745
Finance Cost	23	48,029	-
Depreciation & Amortisation Expense	26	8,06,236	9,19,590
Other Expenses	24	6,00,62,416	3,74,41,574
Miscellaneous Expenses	25	1,91,91,354	1,06,69,673
Total Expenses		1,10,47,79,745	63,95,47,526
Profit before exceptional and extraordinary expenses		12,89,00,240	18,28,84,941
Exceptional items		-	-
Extraordinary items		-	-
Profit before Tax		12,89,00,240	18,28,84,941
Tax Expense:			
Current Tax		(3,53,00,000)	(7,15,00,000)
Deferred Tax		(16,20,654)	(25,25,556)
Profit After Tax		9,19,79,586	10,88,59,385
Average No. of Equity Share (Face value of ₹100 each)		5,00,000	5,00,000
Basic Earnings Per Share		184	218
Diluted Earnings Per Share		184	218

General Information & Significant Accounting Policies 1 & 2**Other Notes to Financial Statement 27-41****The notes referred to above form integral part of these financial Statement.**

As Per our Report of even date

For M.C. JAIN & CO.

Chartered Accountants

Firm Registration Number: 304012E

(Mukesh Kumar Patawari)**PARTNER**

(M.N. 056623)

Place: Kolkata

Date: 04.09.2017

(Avik Saha)

Company Secretary

For and on behalf of the Board

(CA P. Dasgupta)

Director (Finance)

DIN: 07059472

(Dr. K.V.R. Murthy)

Chairman and Managing Director

DIN: 07628725



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

Particulars	NOTE NO.	2016-2017 (in ₹)	2015-2016 (in ₹)
A. Cash Flow from Operating Activities :			
Profit/(-) Loss before Tax and prior period Adjustment :		12,89,00,240	18,28,84,941
Adjustment for :			
Depreciation/Amortization		8,06,236	9,19,590
Interest Income		(7,27,69,317)	(8,47,35,625)
Interest Expenses		48,029	-
		(7,19,15,052)	(8,38,16,035)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		<u>5,69,85,188</u>	<u>9,90,68,906</u>
Changes in Current Assets, Current Liabilities and Provisions			
Sundry Debtors		1,15,25,281	5,30,58,827
Inventory		(92,94,43,542)	5,98,25,530
Loans & Advances		(5,09,91,339)	93,10,841
Liabilities and Provisions		12,76,31,812	(77,45,776)
Other Current Asset		-	55,25,71,913
Income Tax Paid	1	(7,80,46,766)	(5,61,80,155)
		(91,93,24,554)	61,08,41,180
NET CASH FLOW FROM/(USED IN) FROM OPERATING ACTIVITIES		<u>(86,23,39,366)</u>	<u>70,99,10,086</u>
B. Cash Flow from Investing Activities :			
Purchase of Fixed/Intangible Assets		(14,21,479)	(1,23,774)
Interest Received	2	8,14,11,813	6,97,43,698
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		<u>7,99,90,334</u>	<u>6,96,19,924</u>
C. Cash Flow from Financing Activities :			
Receipt of Secured Loan		46,48,275	-
Interest Paid		(48,029)	-
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		<u>46,00,246</u>	<u>-</u>
Net increase/(decrease) in Cash & Cash equivalents (A+B+C)		(77,77,48,786)	77,95,30,010
CASH & CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD		<u>1,45,89,19,920</u>	<u>67,93,89,910</u>
CASH & CASH EQUIVALENT AT THE END OF THE PERIOD (Note 1 to 3)	3	<u>68,11,71,134</u>	<u>1,45,89,19,920</u>

As Per our Report of even date

For M.C. JAIN & CO.

Chartered Accountants

Firm Registration Number: 304012E

(Mukesh Kumar Patawari)**PARTNER**

(M.N. 056623)

Place: Kolkata

Date: 04.09.2017

(Avik Saha)

Company Secretary

For and on behalf of the Board

(CA P. Dasgupta)

Director (Finance)

DIN: 07059472

(Dr. K.V.R. Murthy)

Chairman and Managing Director

DIN: 07628725

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

Particulars	NOTE NO.	2016-2017 (in ₹)	2015-2016 (in ₹)
1 INCOME TAX EXPENSES			
Add: Advance Income Tax at the beginning of the year		45,54,39,214	39,92,59,059
Less: Advance Income Tax at the end of the year		(53,34,85,980)	(45,54,39,214)
	1	(7,80,46,766)	(5,61,80,155)
2 INTEREST RECEIVED			
Interest Received as per Profit & Loss A/c.		7,27,69,317	8,47,35,625
Add : Opening Interest Receivable		2,84,33,516	1,34,41,589
		10,12,02,833	9,81,77,214
Less : Closing Interest Receivable		1,97,91,020	2,84,33,516
	2	8,14,11,813	6,97,43,698
		87,93,31,987	1,65,53,26,744
3 CASH & CASH EQUIVALENT			
As per Balance Sheet - Cash & Bank Balance			
Less : Cash, Bank & Term Deposits:			
Retting Tank Govt. of India		63,96,502	59,83,043
Jute Technology Mission		17,97,98,795	17,92,37,267
Development of Ribboner from GOI		1,04,64,836	97,80,507
IJSG		13,83,415	12,88,702
Bio-Technological retting Technology		1,17,305	1,17,305
Total Cash & Cash equivalent	3	68,11,71,134	1,45,89,19,920

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE-1

1. GENERAL INFORMATION

The Jute Corporation of India Limited (JCI), a Central Public Sector Enterprise, under the Ministry of Textile (MOT), was set up in 1971 to act as a nodal agency for MSP operation of Raw Jute in India. Initially JCI has started its operation as a small trading agency but then slowly it expanded its network across the Jute growing areas of India and now has spread over successfully in 6 states (West Bengal, Bihar, Assam, Tripura, Orissa, and Andhra Pradesh) of India. JCI operates through its 141 Departmental Purchase Centres and 16 Regional Offices with Head Office at Kolkata.

JCI is responsible for executing the Minimum Support Price (MSP) operations for jute procurement and serves as a stabilizing agency in the raw jute market. JCI's price-support operations involve procuring raw jute from farmers, usually small and marginal farmers, at MSP without any quantitative limit, as and when the prevailing market price of jute is at the MSP. These operations help to create a notional buffer in the market by siphoning off excess supply, in order to arrest inter-seasonal volatility in raw jute prices. It also denotes the floor price at which a jute farmer can sell his produce.

Besides Minimum Support Price Operation (MSP), JCI also undertake Commercial operation of Raw Jute, trading in Jute Diversified Products and Distribution of Certified Jute Seeds.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting and preparation of financial statements

The accounts are prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions thereof. All assets and liabilities have been classified as current or non-current as per the Corporation's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013.

The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

2.2 Tangible Fixed Assets & Depreciation

- i) Fixed Assets are stated at cost of acquisition less depreciation.
- ii) Cost of Leasehold Premises is amortized over the period of lease.
- iii) Depreciation on Fixed Assets, other than Leasehold Premises, is provided on straight-line basis at the rate and in the manner prescribed in Schedule – II of the Companies Act, 2013.
- iv) Premises on Leasehold Land are depreciated either over a period at the rate and in the manner prescribed in Schedule – II of the Companies Act, 2013 or over the period of land lease, whichever is earlier.

2.3 Intangible assets and amortization

- i) Intangible Assets like Computer Software etc. as defined in Accounting Standard (AS 26) issued by the Institute of Chartered Accountants of India (ICAI) are stated at cost of acquisition less amortization.



- ii) Intangible Assets are amortized Straight-line basis over a period of five years considering in useful life in conformity with the AS-26 issued by the Institute of Chartered Accountants of India (ICAI).

2.4 Inventories

- i) Raw Jute stock procured under price support operation is valued at cost or net realizable value, whichever is lower.
- ii) Raw Jute stock procured under commercial operation is valued at weighted average cost or net realizable value, whichever is lower.
- iii) Jute goods are valued at cost or net realizable value, whichever is lower.
- iv) Jute seed are valued at average cost or net realizable value, whichever is lower.
- v) Raw Jute stock quantities as stated in the Accounts are bales of 180 Kg each.

2.5 Cash & cash equivalents

Cash comprises cash-in-hand, balances with banks that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before exceptional and extraordinary items and tax is adjusted for the effects of transaction of known cash nature. Cash flows from operation, investing and financing activities of the corporation are segregated based on the available information and complied with Accounting Standard 3.

2.7 Employees Benefit

- i) Gratuity.

- a) Regular Employees

The corporation makes regular contribution to Group Gratuity Fund administered by the Life Insurance Corporation of India and discharges Gratuity liability to the Regular Employees is made from such Fund.

- b) Casual Employees

The Corporation provides the liability for Gratuity of casual employees in the financial statement on the basis of actuarial valuation and discharge of Gratuity liabilities to the casual employees are made on retirement by the corporation on its own.

Gratuity is payable to all employees subject to a maximum limit of ₹10 lacs. Retirement age of Employees is taken at 58 years. Progression of future salary is taken into account while calculating the liability. Increase in Dearness Allowances (DA) has also been considered appropriately in Actuarial Valuation. The assumption and methodology used in actuarial valuations are consistent with the requirements of Accounting Standard 15 (revised in 2005)

- ii) Leave Encashment Benefit (Non-Funded).

The Corporation provides the liability for leave encashment benefit for regular employees on retirement in the financial statement on the basis of actuarial valuation for existing employees on the closing date.

The assumption and methodology used in actuarial valuations are consistent with the requirements of Accounting Standard 15 (revised in 2005).

iii) **Provident Fund and Family Pension Fund to employees**

Contribution to Provident Fund and Pension Fund is recognized during the period in which the employees are under service. Contributions for Provident Fund are deposited with Contributory Provident Fund Trust of The Jute Corporation of India. Contributions to Pension Fund are deposited to Regional Provident Fund Commissioner, as per provisions of the Employees' Provident Fund and Miscellaneous Provisions Act 1952.

2.8 Revenue Recognition

In preparation of financial statement, income/expenditure is recognized in the year in which realization/payment thereof is reasonably ascertained and/or settled. For following cases recognition of income /expenditure are made on actual realization,

- (a) Interest income on book debts, if any.
- (b) Interest on advances to employees, if any.
- (c) Provisional claims lodged with insurers and other agencies, if any.
- (d) Carrying cost, if any
- (e) Subsidy from Government for MSP Operation is accounted for in the year for which it is approved by Government, if such approval is obtained before finalization of accounts of that year. In case, Government approval of subsidy is obtained after finalization of accounts of the year for which it is approved then, it is accounted for in the year in which the approval is obtained with a suitable note to accounts.

2.9 Liability for Revision of Pay Scales

Liability for revision/increase in employees' pay and allowances is recognized in the year in which the Government approves the same and/or notifies to the Corporation.

2.10 Prior Period Adjustment

Individual transaction exceeding ₹10,000/- relating to earlier years are accounted for under Prior Period Adjustment account.

2.11 Provision for Current and Deferred tax

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961

Deferred Tax is recognized on timing differences being the difference between taxable income and accounting income for the year and is likely to reversed in one or more subsequent periods (in conformity with AS22)

2.12 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged into Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable value.

2.13 Provisions, Contingent Liabilities and Contingent Assets

Provision involving substantial degree of estimation in measurement is 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



Notes to the Financial Statement for the year ended March 31, 2017

NOTE 3(A) : SHARE CAPITAL

(Amounts in ₹)

Particulars	As at 31/03/2017	As at 31/03/2016
Authorised		
5,00,000 Equity Shares of ₹100/- each	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid-up		
5,00,000 Equity Shares of ₹100/- each fully paid up.	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000

(a) Reconciliation of Equity shares outstanding at the end of the year

	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the Year	5,00,000	5,00,00,000	5,00,000	5,00,00,000
Shares issued during the year	-	-	-	-
Less Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the Year	5,00,000	5,00,00,000	5,00,000	5,00,00,000

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares with voting right proportionate to the share holding of the share holders

	Name of the Share Holder	As on 31st March, 2017		As on 31st March, 2016	
		No. of Share	% of the Holding	No. of Share	% of the Holding
(c) Details of shareholders holding more than 5% of the shares in the company.	President of India	499998	99.99%	499998	99.99%

Notes to the Financial Statement for the year ended March 31, 2017

NOTE 3(B) : RESERVES AND SURPLUS

(Amounts in ₹)

Particulars	As at 31/03/2017	As at 31/03/2016
Surplus		
As per last Balance Sheet	1,02,73,13,056	91,84,53,671
Add: Profit / (Loss) for the year	9,19,79,586	10,88,59,385
	<u>1,11,92,92,642</u>	<u>1,02,73,13,056</u>
Less: Proposed Dividend	2,76,00,000	-
Dividend Distribution Tax on Proposed Dividend	56,18,698	-
	<u>1,08,60,73,944</u>	<u>1,02,73,13,056</u>
Net Surplus	<u>1,08,60,73,944</u>	<u>1,02,73,13,056</u>

NOTE 4 : OTHER LONG TERM LIABILITIES

Particulars	As at 31/03/2017	As at 31/03/2016
Balance in Project Funds		
Retting Tank (Govt. of India)	63,96,502	59,83,043
Bio-Technological Retting Technology	1,17,305	1,17,305
IJSG	13,83,415	12,88,702
Development of Ribboner from GOI	1,04,64,836	97,80,507
Jute Technology Mission	17,97,98,795	17,92,37,267
Total	<u>19,81,60,853</u>	<u>19,64,06,824</u>

NOTE 5 : LONG TERM PROVISIONS

Particulars	As at 31/03/2017	As at 31/03/2016
Provision for Employee Benefit		
Gratuity (Casual Employee)	4,54,33,200	4,62,22,034
Leave Salary(Regular Employee)	10,10,30,275	12,96,47,212
Total	<u>14,64,63,475</u>	<u>17,58,69,246</u>

NOTE 6 : SHORT-TERM BORROWINGS

Other Long Term Liabilities	As at 31/03/2017	As at 31/03/2016
Cash Credit from Central Bank of India	46,48,275	-
	<u>46,48,275</u>	<u>-</u>

Note: Cash credit is secured by way of hypothecation of stock of Jute both present and future

*Notes to the Financial Statement for the year ended March 31, 2017***NOTE 7 : TRADE PAYABLES**

(Amounts in ₹)

Particulars	As at 31/03/2017	As at 31/03/2016
Sundry Creditors	11,10,70,010	5,18,85,067
	11,10,70,010	5,18,85,067

NOTE 8 : OTHER CURRENT LIABILITIES

Particulars	As at 31/03/2017	As at 31/03/2016
Earnest Money Deposit	3,20,73,212	26,52,937
Security Deposit	15,00,000	15,00,000
Provident Fund Payable	81,51,011	1,01,41,972
Liability for Expenses and Other Payables	17,42,70,494	7,93,13,362
Balance in Project Funds		
Project I-Care	-	73,82,788
Pilot Project A/C	47,748	47,748
Project Decoricator Machine	10,88,417	10,97,387
Project Saturation	48,38,462	81,79,805
Common Facilitation Center	44,05,998	1,77,157
Advance From Customers	2,31,02,972	2,29,21,966
Claims Payable	75,32,819	2,43,04,875
Advance Received for Jute Seeds	3,22,000	3,22,000
Advance from JTM	10,29,105	7,77,442
	25,83,62,238	15,88,19,439

NOTE 9 : SHORT-TERM PROVISIONS

Particulars	As at 31/03/2017	As at 31/03/2016
Provision for Employee Benefits:		
Bonus	18,46,233	
LTC	66,69,712	74,36,763
Leave Salary (Regular Employee)	4,42,71,051	5,25,47,326
Gratuity (Casual Employee)	1,34,55,216	84,83,461
	6,62,42,212	6,84,67,550
Provision for Income Tax	-	-
Balance as per Last Account	47,50,72,403	40,35,72,403
Addition during the year	3,53,00,000	7,15,00,000
	51,03,72,403	47,50,72,403
Less Advance Tax Paid	53,34,85,980	45,54,39,214
	(2,31,13,577)	1,96,33,189
Provision for Service Tax	6,90,178	1,55,000
Other Provisions		
Proposed Dividend	2,76,00,000	
Tax on Proposed Dividend	56,18,698	
	7,70,37,511	8,82,55,739

Notes to the Financial Statement for the year ended March 31, 2017

NOTE 10 : FIXED ASSETS

(Amounts in ₹)

Tangible Asset	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 31/03/2016	Additions	Deletion/ Adjust- ments	As at 31/03/2017	As at 31/03/2016	Additions		Deletion/ Adjust- ments	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
						For the Year	Adj. With Retained Earning				
LEASEHOLD PREMISES	2,59,98,440	-	-	2,59,98,440	44,20,643	2,64,381	-	-	46,85,024	2,13,13,416	2,15,77,797
FURNITURE & FIXTURE	44,54,156	71,320	-	45,25,476	41,88,994	30,302	-	-	42,19,296	3,06,180	2,65,162
OFFICE EQUIPMENT	13,67,875	20,000	-	13,87,875	11,95,806	30,659	-	-	12,26,465	1,61,410	1,72,069
DPC EQUIPMENT	8,77,383	25,000	-	9,02,383	7,69,276	12,639	-	-	7,81,915	1,20,468	1,08,107
COMPUTER	38,87,374	11,66,464	-	50,53,838	32,25,151	4,33,373	-	-	36,58,524	13,95,314	6,62,223
ELECTRICAL INSTALLATION	4,95,688	-	-	4,95,688	4,17,608	11,881	-	-	4,29,489	66,199	78,080
AIR-CONDITIONER	4,66,850	1,33,195	-	6,00,045	4,16,654	22,552	-	-	4,39,206	1,60,839	50,196
CYCLES	1,32,357	-	-	1,32,357	1,32,357	-	-	-	1,32,357	-	-
Total(A)	3,76,80,123	14,15,979	-	3,90,96,102	1,47,66,489	8,05,787	-	-	1,55,72,276	2,35,23,826	2,29,13,634
Intangible Asset											
COMPUTER SOFTWARE(B)	92,063	5,500	-	97,563	90,347	449	-	-	90,796	6,767	1,716
Current Year (A+B)	3,77,72,186	14,21,479	-	3,91,93,665	148,56,836	8,06,236	-	-	1,56,63,072	2,35,30,593	2,29,15,350
Previous Year	3,76,48,412	1,23,774	-	3,77,72,186	1,39,37,246	9,19,590	-	-	1,48,56,836	2,29,15,350	

Note: Mobile Phone Purchased during the year for ₹7,17,900 (Previous Year NIL) has been capitalized under the head Computer as in the view of Management estimated life of Mobile Phones is three years and are application driven alike Computers.

*Notes to the Financial Statement for the year ended March 31, 2017***NOTE 11 : DEFERRED TAX ASSETS (NET)**

(Amounts in ₹)

Particulars	As at 31/03/2017	As at 31/03/2016
Deferred Tax Assets	-	16,20,654
	-	<u>16,20,654</u>

NOTE 12 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31/03/2017	As at 31/03/2016
Security Deposits	5,40,242	4,26,028
	<u>5,40,242</u>	<u>4,26,028</u>

NOTE 13 : INVENTORY

Particulars	As at 31/03/2017	As at 31/03/2016
Raw Jute - Price support	29,97,49,370	18,18,400
Raw Jute - Commercial	64,71,72,442	1,61,70,548
Sonali	5,10,678	-
	<u>94,74,32,490</u>	<u>1,79,88,948</u>

NOTE 14 : TRADE RECEIVABLES

Particulars	As at 31/03/2017	As at 31/03/2016
(Unsecured, considered good)		
Outstanding for more than Six Month	10,99,048	1,06,00,970
Others	47,83,486	68,06,845
	<u>58,82,534</u>	<u>1,74,07,815</u>
(Unsecured, considered doubtful)	6,65,668	-
Provision for Doubtful Debt	(6,65,668)	-
	<u>58,82,534</u>	<u>1,74,07,815</u>

NOTE 15 : CASH AND CASH EQUIVALENTS

Particulars	As at 31/03/2017	As at 31/03/2016
Cash & Cash Equivalents		
Balances with Banks:		
In Current Accounts	7,32,91,231	5,33,86,351
In Saving Accounts	5,40,31,969	7,15,17,968
In Term Deposit Accounts	75,09,25,508	1,52,93,57,029
Cash in Hand	10,83,279	10,65,396
	<u>87,93,31,987</u>	<u>1,65,53,26,744</u>

Notes to the Financial Statement for the year ended March 31, 2017

NOTE 16 : SHORT TERM LOANS AND ADVANCES

(Amounts in ₹)

Particulars	As at 31/03/2017	As at 31/03/2016
Advances Recoverable in cash or in kind or for value to be received		
Advance to Staff	8,13,832	11,88,960
Advance to Other Parties		
Unsecured and Considered Good	3,04,53,033	24,40,995
Unsecured and Considered Doubtful	8,46,522	-
Less: Provision Held	(8,46,522)	-
Prepaid Expenses	17,08,859	24,40,995
Advance to Revenue Authorities	-	-
Advance Service Tax	-	2,63,712
Advance Sales Tax & Vat	3,29,05,275	2,66,87,190
Less: Provision	3,13,48,556	2,64,81,959
Advance for Projects		
Project Enzyme Retting	-	3,31,417
Project I-CARE	2,07,32,499	
Bhuban Jump Project	42,498	
	5,53,07,440	44,30,315

NOTE 17 : OTHER CURRENT ASSETS

Particulars	As at 31/03/2017	As at 31/03/2016
Interest accrued but not due	1,97,91,020	2,84,33,516
	1,97,91,020	2,84,33,516

NOTE 18 : REVENUE FROM OPERATIONS

Particulars	As at 31/03/2017	As at 31/03/2016
Sales - Price Support	44,10,769	12,36,054
Sales - Commercial	50,54,86,391	14,77,32,082
Sales - Sonali	18,23,264	16,85,077
Sales - Jute Seeds	12,14,17,011	6,27,54,895
Less : claim paid	(1,19,998)	(6,316)
Total	63,30,17,437	21,34,01,792

*Notes to the Financial Statement for the year ended March 31, 2017***NOTE 19 : OTHER INCOME**

(Amounts in ₹)

Particulars	As at 31/03/2017	As at 31/03/2016
Interest Income	7,27,69,317	8,47,35,625
Subsidy from GOI. (MSP)	49,38,00,000	52,11,00,000
Carrying Cost (Price Support)	11,58,754	27,00,000
Liability no Longer Required Writtenback	2,43,84,483	-
Misc. Income	27,39,855	10,85,619
Prior Period Adjustment (Refer Note - 19.1)	58,10,139	(5,90,570)
Total	60,06,62,548	60,90,30,675

NOTE 19.1 : PRIOR PERIOD ADJUSTMENTS

Particulars	As at 31/03/2017	As at 31/03/2016
Reimbursement from Projects	59,60,024	-
Professional Fees	(42,000)	(78,181)
Wages	(1,07,885)	-
Sale Price Support Internal	-	(2,88,598)
Carrying Cost - Price Support	-	(1,58,665)
Travelling & Conveyance	-	(28,932)
Claims Received	-	(36,194)
Net Debit(-)/Credit	58,10,139	(5,90,570)

NOTE 20 : COST OF TRADING GOODS & DIRECT EXPENCES

Particulars	As at 31/03/2017	As at 31/03/2016
PURCHASE	-	
Raw Jute - Price Support	28,79,40,308	91,067
Raw Jute - Commercial	1,03,99,35,028	4,56,71,805
Jute Products - Sonali	21,84,887	14,62,975
Jute Seeds	11,60,28,208	5,71,34,976
Sub-total (a)	1,44,60,88,431	10,43,60,823
DIRECT EXPENSES		
Operational Expenses	3,27,45,331	10,52,404
Taxes & Levy	70,12,648	99,57,974
Service Charges	950	7,212
Sub-total (b)	3,97,58,929	1,10,17,590
Total	1,48,58,47,360	11,53,78,413

Notes to the Financial Statement for the year ended March 31, 2017

NOTE 21 : CHANGES IN INVENTORIES OF TRADING GOODS

(Amounts in ₹)

Particulars	As at 31/03/2017	As at 31/03/2016
Opening Stock		
Raw Jute - Price Support	18,18,400	6,99,54,904
Raw Jute - Commercial	1,61,70,548	78,59,574
Total	1,79,88,948	7,78,14,478
Closing Stock		
Raw Jute - Price Support	29,97,49,370	18,18,400
Raw Jute - Commercial	64,71,72,442	1,61,70,548
Sonali Stock	5,10,678	-
Total	94,74,32,490	1,79,88,948
Net (Increase) / Decrease	(92,94,43,542)	5,98,25,530

NOTE 22 : EMPLOYEE BENEFITS EXPENSES

Particulars	As at 31/03/2017	As at 31/03/2016
Salaries & Allowances	25,57,37,544	29,91,00,033
Wages	10,59,11,668	4,50,33,612
Directors Remuneration	39,80,312	23,69,347
Bonus	57,14,312	-
Rent Residential	5,95,000	
Corporation's Contribution to Pension Funds	96,68,310	1,17,48,756
Corporation's Contribution to Gratuity Funds	1,36,33,437	67,26,934
Corporation's Contribution to Provident Funds	2,93,24,331	2,44,92,495
Corporation's Contribution to Welfare Funds	-	492
Staff Welfare Expenses	60,09,445	57,26,452
Leave Encashment Benefit on Retirement	2,19,83,738	25,40,965
Medical Expenses Re-imbursement	1,47,23,544	1,70,15,812
Administrative Charges of CPF	9,29,510	5,57,847
Leave Travel Expenses	56,741	-
Total	46,82,67,892	41,53,12,745

NOTE 23 : FINANCE COST

Particulars	As at 31/03/2017	As at 31/03/2016
Interest on Cash Credit	48,029	-
Total	48,029	-

Notes to the Financial Statement for the year ended March 31, 2017

NOTE 24 : OTHER EXPENSES

(Amounts in ₹)

Particulars	As at 31/03/2017	As at 31/03/2016
Printing & Stationery	10,32,888	7,30,028
Electricity Charges	19,15,433	18,74,959
Rent	17,86,127	19,91,373
Godown Rent & Storage	1,16,88,349	1,28,10,910
Repairs & Renewals	6,31,913	1,72,654
Office Maintenance Expenses	4,79,201	3,59,259
Rates and Taxes	94,329	22,279
Insurance	9,10,054	4,72,705
Travelling and Conveyance	49,11,624	34,03,331
Legal & Professional Fees	24,16,033	7,61,159
Freight	1,86,30,650	43,54,456
Service Tax	13,73,560	5,30,552
Statutory Audit Fees	2,47,800	1,72,500
Other Audit Fees	56,970	1,60,810
Telephone Charges	13,02,358	13,26,861
Postage & Telegram	51,339	50,009
Books & Periodicals	1,91,660	2,04,404
Entertainment	3,45,081	2,97,590
Conference and Meeting Expenses	7,87,283	4,15,462
Corporate Social Responsibility Expenses	34,14,795	37,59,972
Advertisement & Publicity	11,38,579	4,80,837
Car Expenses	44,84,791	29,12,891
Bad and Doubtful Debts Written Off	3,17,082	-
Provision for Doubtful Debts	15,12,190	
Bank Charges	3,42,327	1,76,573
Total	6,00,62,416	- 3,74,41,574

NOTE 25 : MISCELLANEOUS EXPENSES

Particulars	As at 31/03/2017	As at 31/03/2016
Honorarium and Other Fees	36,53,649	26,12,856
RO Expenses	1,29,00,903	52,97,386
Others	26,36,802	27,59,431
Total	1,91,91,354	1,06,69,673

NOTE 26 : DEPRECIATION & AMORTISATION EXPENSE

Particulars	As at 31/03/2017	As at 31/03/2016
Depreciation	8,06,236	9,19,590
Total	8,06,236	9,19,590

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

27. Disclosure with respect to, Retirement Benefit to Employees

i. Gratuity (Regular)

During the year, the corporation has accounted for its gratuity liability ₹4,00,000/- (previous year ₹5,07,286/-) for regular employees as per demand raised by LIC

ii. Gratuity (Casual)

During the year, the corporation has provided for its gratuity liability of ₹5,88,88,416/- (previous year ₹5,47,05,495/-) for casual employees based on actuarial valuation. Basis of actuarial assumptions are as follows.

Basis of valuation:		
	31.03.2017	31.03.2016
Discount Rate Per Annum (Compounded)	8.00%	8.00%
Rate of Increase in salaries	10.00%	10.00%
Expected Average remaining Working	3.46%	4.06%

iii. Leave Encashment Benefit

During the year corporation has provided for its Leave encashment liability ₹14,53,01,326/- (previous year ₹18,21,94,458/-) for regular employees based on actuarial valuation.

iv. Wages

Wages paid to casual employees of ₹105,911,668/- includes provision of ₹6,52,69,555/- made for arrear salary for the period from F.Y- 01.01.2006 to 31.03.2017 in terms of order no.-490 11/31/ 2008-Estt (c) dated 23.01.2012 of Ministry.

28. Contingent Liabilities

Contingent Liabilities (excluding consequential liabilities, if any thereon) not provided for in the accounts:

SL.No.	31.03.2017 (₹)	31.03.2016 (₹)
1. Claims against the Corporation not acknowledged as Debts	17,86,05,378	18,51,51,908
2. Other money for which the Corporation is contingently Liable.	22,68,91,941	2,79,47,552

Other money for which the Corporation is contingently liable shows income tax demand disputed by the company aggregating to ₹2268.91 lakhs (P.Y- 279.48 Lakhs). The matter is under rectification/appeal before Assessing Officer / CIT(A)/ Income Tax Appellate Tribunal and company is hopeful of same being adjudicated in their favour.

29. Other Disclosures

29.1 Market Levy is accounted for as and when demand for the same is raised by the regulatory market committee in the concerned regional office.

29.2 Disclosure of Special Bank Note (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 in pursuance to MCA notification dated 30th March, 2017

(Amount in ₹)

Particulars	SBN	Non SBN	TOTAL
Closing cash in hand as on 08.11.2016	77500	106125	183625
(+) Permitted receipts	0	662991	662991
(-) Permitted payments	-2500	-421323	-423823
(-) Amount deposited in Banks	-75000	-142200	-217200
Closing cash in hand as on 30.12.2016	0	205593	205593

29.3 CSR Expenses:

The Company has incurred ₹34,14,795 /- (F.Y 2015-16, ₹37, 59,972) during the year towards Corporate Social Responsibility (C.S.R) Expenses in line with C.S.R Policy of the Company.

CSR Expenses for FY-2016-17 ₹ 17,00,795 /-

CSR Expenses for FY-2015-16 ₹ 17,14,000 /-

(incurred in FY 2016-17)

For FY 2016-17, out of total CSR Budget of ₹33.90 Lakh (F.Y 2015-16- 34.35 Lakh) unspent amount of ₹16.89 Lakh (F.Y 2015-16, ₹17.14 Lakh) is planned to be spent in FY 2017-18.

30. **MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006:** Under the Micro, Small and Medium Enterprise Development Act, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprise. However, in view of the procurement of Jute being made from farmers/growers where payments are settled in cash on instant basis, no separate disclosures have been made in the accounts.

31. Disclosure in respect of projects:

A. For grant received from GOI for up-gradation of Jute Technology:

GRANT NAME		(Upto 31st March, 2017)		
	Amount Received	Interest Earned	Disbursement	Balance Outstanding
(a) Jute quality Improvement (Retting Technology)	40,00,000 (40,00,000)	44,04,487 (39,94,028)	20,10,985 (20,10,985)	63,96,502 (59,83,043)
(b) Development of Manual/Power Driven Ribboner Machine	34,00,000 (34,00,000)	75,12,571 (68,28,242)	4,47,735 (4,47,735)	1,04,64,836 (97,80,507)
(c) Bio Technological Retting	9,00,000 (9,00,000)	- -	7,82,695 (7,82,695)	1,17,305 (1,17,305)
(d) Jute Technology Mission (JTM)	60,05,00,000 (60,05,00,000)	13,84,97,672 (12,99,17,419)	55,91,98,877 (55,11,80,152)	17,97,98,795 (17,92,37,267)

Interest Earned on Short Term Deposits relating to above projects have been credited to respective project fund.

32. Stale Cheques:

₹853,232 /- (PY: ₹15, 05,639/-) is being kept under heads of stale cheque due to pending dispute with the beneficiaries.

33. Directors' Remuneration comprises of the following, which has been debited to respective head of accounts:

	31.03.2017 (₹)	31.03.2016 (₹)
a. Salaries	39,80,312	23,69,347
b. Leave Encashment	8,52,397	10,60,651
c. Contribution to Provident Fund, Pension & Gratuity	3,87,029	4,02,672
d. Rent Residential	5,95,000	0
e. Others	7,89,327	6,06,942
Total	66,04,065	44,39,612

34. Earnings per share of the Corporation has been computed in the following manner:

	31.03.2017 (₹)	31.03.2016 (₹)
(Loss)/Profit for the year	9,19,79,586	10,88,59,385
Weighted Average of No. of equity share	5,00,000	5,00,000
Earnings Per Share (Basic and Diluted)	184	218

35. Purchase Tax

The refund proposal for ₹78,55,537/- under Purchase Tax Act 1967 of Assam for the period 30.06.1990 to 30.06.1993 is being followed up with the concerned authority. However suitable provision is held in the accounts for the same amount.

36. Vat/Sales Tax

During the Financial Year 2006-07, an order was issued by Assistant Commissioner, Commercial Taxes, Kolkata showing an excess payment of ₹15,27,170/- on account of Sales Tax for the year 2003-04. The above amount of ₹15,27,170/- has since been received by the Corporation on 02.06.17.

37. Deferred Tax

Deferred Tax Asset (DTA) – Review of DTA carried forward from previous year as well as recognition of DTA in the current year.

Accounting Standard-22(AS22) specifies the requirement of the carrying amount of DTA at each Balance Sheet date. It also specifies that the DTA to be recognized and carried forward only if there be a reasonable certainty of sufficient future taxable income against which such DTA can be realized.

The major objective of the Corporation to conduct the Minimum Support Price (MSP) operation of Raw jute and the same depends on the volatility of market price of raw jute. Also even if there is MSP operation it is not certain that the Corporation will be able to recover the cost involved in MSP with a positive margin, as the same is totally dependent on Government decision/policy as applicable from time to time.

Though Govt. of India normally provides to the Corporation a prefixed annual monetary support to meet some cost of MSP but the same is not sufficient for meeting both infrastructure cost as well as cost pertaining to Jute procurement and allied activities. Moreover such annual monetary support effective financial year 2018-19 is yet to be approved by GOI. In such a situation it can may well be said that there is no reasonable certainty of having sufficient taxable income in future to realize any carried forward and freshly recognized DTA.

In view of the above DTA ₹1620654/-carried forward from previous year(s) is not recognized at the end of the year 2016-17 and has been reversed as on 31.03.2017.

38. As per Accounting Standard 18, issued by the institute of Chartered Accountants of India, the disclosures of transaction with related parties are as follows,

Particulars	Name of Related Party
Key Managerial Personnel	<ol style="list-style-type: none"> 1. Dr. K.V.R. Murthy, Chairman and Managing Director (From 02.07.2016) 2. CA. P. Dasgupta, Director Finance 3. Dr. Subrata Gupta Chairman and Managing Director (Upto 01.07.2016) 4. Avik Saha, Company Secretary (from 03.08.16)

Transaction during the year with related parties (Key Managerial Personnel):

Nature of Transaction	Relationship	Amount in Rs.	
		2016-17	2015-16
1. Remuneration (incl. house rent)			
Dr. K.V.R. Murthy	C.M.D	23,99,404	17,42,220
Dr. Subrata Gupta	C.M.D (Upto 01.07.2016)	-	-
CA.P. Dasgupta	D(F)	27,61,406	23,34,184
Avik Saha	C.S	5,91,546	Nil

39. Information in respect of goods traded

PARTICULARS	2016-2017			2015-2016		
	Bales	Qntls.	Amount (₹)	Bales	Qntls.	Amount (₹)
(a) Purchase						
Raw Jute	224585		132,78,75,336	4,961		4,57,62,872
Jute Seeds		4952.24	11,60,28,208		3368.02	5,71,34,976
Diversified jute products			21,84,887			14,62,975
	224585	4952.24	144,60,88,431	4,961	3368.02	10,43,60,823
(b) Sales						
Raw Jute	70909		509,777,162	19,953		14,89,61,820
Jute Seeds		4952.24	12,14,17,011		3368.02	6,27,54,895
Diversified jute products			18,23,264			16,85,077
	70909	4952.24	633,017,637	19,953	3368.02	21,34,01,792

PARTICULARS	2016-2017			2015-2016		
	Bales	Qntls.	Amount (₹)	Bales	Qntls.	Amount (₹)
(c) Opening Stock						
Raw Jute	2157		1,79,88,948	17,135		7,78,14,479
Jute Seeds		NIL	NIL		NIL	NIL
	2157	NIL	1,79,88,948	17,135	NIL	7,78,14,478
(d) Closing Stock						
Raw Jute	157433		946,921,812	2157		1,79,88,948
Jute Seeds		NIL			NIL	
Diversified jute products			5,10,678			
	157433	NIL	94,74,32,490	2157	NIL	1,79,88,948
(e) Claims Received						
Raw Jute	0			0		
(f) (Loss)/Gain in Weight of Raw Jute	1600	0		14	0	

Stock quantities are stated in the accounts in Bales of 180 Kg each.

40. Figures for the previous year have been regrouped and rearranged wherever necessary. Figures in brackets represents previous year's figures.
41. Other information required to be given as per the requirement of Schedule III of the Companies Act.2013 may be read as nil.

For M.C. JAIN & CO.

Chartered Accountants

Firm Registration Number: 304012E

For and on behalf of the Board

(Mukesh Kumar Patawari)

PARTNER

(M.N. 056623)

Place: Kolkata

Date: 04.09.2017

(Avik Saha)
Company Secretary

(CA P. Dasgupta)
Director (Finance)
DIN: 07059472

(Dr. K.V.R. Murthy)
Chairman and Managing Director
DIN: 07628725

**INTERNAL RAW JUTE - PRICE SUPPORT**

	2016-2017		2015-2016	
	Bales	₹	Bales	₹
INCOME				
Sales	897	44,09,731	246	12,36,054
Carrying Cost		11,58,755		27,00,000
Transfer from Internal Raw Jute	94	5,10,110	15,176	6,71,70,871
Subsidy from the Government(Previous year)		-		-
Interest Income		7,26,51,706		8,46,60,851
Other Income		2,71,24,338		7,57,555
Subsidy from the Government		49,38,00,000		52,11,00,000
Subsidy from the Government (Farmers Training & Others)				
Prior Period adjustment		58,10,139		
Net Adj. Dr./Cr. Balances written off/back		-		3,28,064
Loss in Packed Weight			8.00	
Closing Stock	55,236	29,97,49,370	424	18,18,400
Net Loss	0			
	56,227	90,52,14,149	15,854	67,97,71,795
EXPENDITURE				
Opening Stock	424	18,18,400	15,805	6,99,54,904
Purchases	55,580	28,79,40,308	49	91,067
Tax and Levy		60,662		82,629
Freight		2,34,475		52,032
Operational Expenses		80,74,894		9,422
Payment to and Provision for Employees		46,82,67,892		41,53,12,745
Other Administrative Expenses		4,60,49,669		2,92,43,660
Interest and other financial charges		48,029		-
Godown Rent and Storage		1,16,88,349		1,28,10,910
Insurance		2,06,927		8,427
Depreciation		8,06,236		9,19,590
ServiceTax		13,73,560		5,30,552
Service Chrges		950		7,212
Prior Period adjustment		-		5,90,570
Rate & Taxes		94,329		22,279
Gain in Packed Weight	223			
Provision for Income Tax		2,24,56,638		6,06,43,036
Net Profit		5,60,92,831		8,94,92,760
	56,227	90,52,14,149	15,854	67,97,71,795

INTERNAL RAW JUTE - COMMERCIAL

	2016-2017		2015-2016	
	Bales	₹	Bales	₹
INCOME				
Sales	70,012	50,53,67,431	19,707	14,77,25,766
Carrying cost		-		-
Claims Received - Stock		-		-
Interest Received				
Service Charges				
Loss in Packed weight	-		-	
Closing Stock	1,02,197	64,71,72,442	1,733	1,61,70,548
Net Loss		-		
	1,72,209	1,15,25,39,873	21,440	16,38,96,314
EXPENDITURE				
Opening Stock	1,733	1,61,70,548	1,330	78,59,574
Purchase	1,69,005	1,03,99,35,028	4,912	4,56,71,805
Transfer from Internal Raw Jute Price Support	94	5,10,110	15,176	6,71,70,871
Tax and Levy		69,51,986		98,75,345
Freight		1,83,01,062		41,68,248
Operational Expenses		2,45,53,752		9,44,520
Interest				
Insurance		7,01,745		4,61,723
Gain in Packed weight	1,377		22	
Provision for Income Tax		1,29,83,953		1,12,06,483
Net Profit	-	3,24,31,688	-	1,65,37,745
	1,72,209	1,15,25,39,873	21,440	16,38,96,314

**JUTE SEED**

	2016-2017		2015-2016	
	Qtls.	₹	Qtls.	₹
INCOME				
Sales	4,952.24	12,14,17,011	3,368.02	6,27,54,895
Subsidy from NJB				-
Service Charge				
Closing Stock				
Damage				
Net Loss				
	4,952.24	12,14,17,011	3,368.02	6,27,54,895
EXPENDITURE				
Opening Stock	-			
Purchase	4,952.24	11,60,28,208	3,368	5,71,34,976
Freight		95,113		1,34,176
Stock Revalidation Chg				
Insurance				
Overhead Expenses				
Handling of Jute Seeds		1,16,685		98,462
Provision for Income Tax		14,80,063		21,76,037
Net Profit		36,96,942		32,11,244
	4,952.24	12,14,17,011	3,368.02	6,27,54,895

DIVERSIFIED JUTE PRODUCTS (SONALI)

INCOME		
Sales	18,23,264	16,85,077
Misc. Receipts	0	0
Interest	1,17,611	74,774
Closing Stock	5,10,678	
Net Loss	2,41,875	3,82,364
	26,93,428	21,42,215
EXPENDITURE		
Purchases	21,84,887	14,62,975
Payment to and Provision for Employees (wages)		
Insurance	1,382	2,555
Office Maintenance	1,04,868	
Other Expenses	3,40,359	5,27,077
Bank Chrges	8,838	19,339
Printing & Stationery	19,295	17,194
Telephone Chrges	31,439	25,247
Travelling & Conveyance	2,360	87,828
Net Profit		
	26,93,428	21,42,215