

# THE JUTE CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

15N, NELLIE SENGUPTA SARANI

KOLKATA 700 087

## 47<sup>TH</sup> 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,<br>NEW DELHI (23.03.2015)         |
| 3. | SMT. BABNI LAL    | : | ECONOMIC ADVISOR, MINISTRY OF TEXTILES,<br>NEW DELHI (18.06.2014)        |
| 4. | DR. S.K. PANDA    | : | NON-OFFICIAL DIRECTOR (09.08.2018)                                       |
| 5. | CA P. DASGUPTA    | : | DIRECTOR(FINANCE) (03.11.2014 TO 05.07.2018)                             |
|    | SRI A. SAHA       | : | COMPANY SECRETARY (03.08.2016)   |
|    | AUDITORS          | : | M/S. M.C. JAIN & CO., 33, BRABOURNE ROAD,<br>KOLKATA-700001, WEST BENGAL |

## **AUDIT COMMITTEE 2017-18**

- |    |                   |   |   |
|----|-------------------|---|---|
| 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)   |
|    | SRI A. SAHA       | : | COMPANY SECRETARY (03.08.2016)  |
|    | REGISTERED OFFICE | : | 15N, NELLIE SENGUPTA SARANI,<br>KOLKATA - 700 087.<br>Website : <a href="http://www.jci.gov.in">www.jci.gov.in</a> ,<br>E.mail : <a href="mailto:jci@jcimail.in">jci@jcimail.in</a> |



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



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



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



*Dr. S. K. Panda  
Non-Official Director*



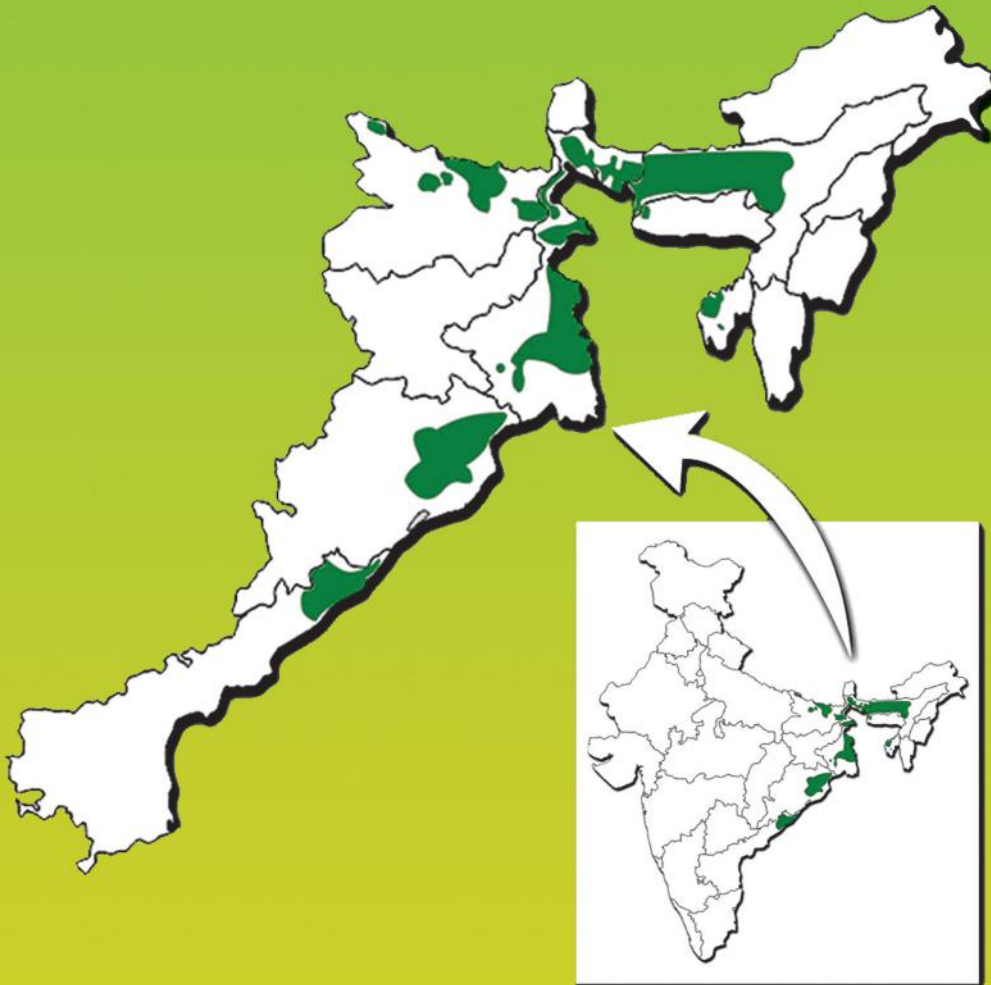
*Sri Anant Kumar Singh, Secretary Textiles and Dr. K.V.R. Murthy, CMD, JCI on the occasion of signing of the Memorandum of Understanding for the Financial Year 2018-19 in presence of Sri A.M. Reddy, Joint Secretary, Ministry of Textiles and Smt. Babni Lal, Economic Advisor, Ministry of Textiles.*



**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/47<sup>th</sup> AGM/Sectt./2018-19

Dated: 19.09.2018

## **NOTICE OF THE 47<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Forty-Seventh Annual General Meeting of The Jute Corporation of India Limited will be held on Friday, the 28<sup>th</sup> September, 2018 at 1.00 p.m at Udyog Bhawan, Ministry of Textiles, Govt. of India, New Delhi-110 011 to transact the following business:

### **ORDINARY BUSINESS :**

1. To consider and adopt the Financial Statements for the year ended 31<sup>st</sup> March, 2018 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 2018-19 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 2018-19”.

3. To declare a dividend of ₹106.10 per share for the year ended 31<sup>st</sup> March, 2018.

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-SEVENTH 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 47<sup>th</sup> Annual General Meeting of your Corporation.

I profusely express my heartfelt gratitude towards all of you for making it convenient to attend the meeting in-spite of your busy schedules.

Now, I would like to make a concise presentation on the performance of your corporation during the Financial Year 2017-2018 delineating the following areas:

### Financial Results

During the period under review, your Corporation made a profit after tax of ₹1768.20 lakh. The Earning Per Share (EPS) has substantially increased to ₹354 from ₹184 last year.

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 2017-18.

### Market Outlook

The crop year 2017-18 began with a carryover of 22 lakh bales from 2016-17. The forecast for total production of raw jute was 80 lakh bales (180 kgs. each) based on the crop prospect as per the reports received from different Regions. The increase in the Minimum Support Price (MSP) was by ₹300/- (₹3500 – ₹3200), as declared by the Govt. of India. But the actual production during the year was 76 lakh bales against the actual production of 92 lakh bales for the year 2016-17 and import from Bangladesh 3.40 lac bale. Out of this, the actual mill consumption was 69 lakh bales against estimated mill consumption 80 lakh bales and domestic consumption 10 lakh bales. So, there be a surplus of 22.40 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 2018-19 appears to be at a lesser scale when compared to previous year.

### 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 ₹3,500/- per quintal for the crop year 2017-18. This MSP was higher by ₹300/- per quintal than MSP of the crop year 2016-17. 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 315260 bales of raw jute under MSP operations in the F.Y 2017-18, which is the highest under MSP operations in the last 9 (nine) crop years.

### **MoU for 2017-18**

The evaluation report for MoU 2017-18 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 an “Excellent” rating as it has performed spectacularly in achieving the mandatory financial parameters. It has also performed reasonably well in achieving the non-financial parameters of the aforesaid MoU.

### **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 2017-18 your Corporation had carried out CSR activities in the areas of Cleanliness drive in schools, Health check-up camps, Donating Hearing Aids, Contributions to Leprosy Society, Blind Society and Improvement to Citizen Interface Areas Cleanliness Drive at 30 DPCs/ROs as well as Swachhta Pakhwada activities.

### **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. Very recently the President of India has appointed an Independent Director on the Board of the Corporation for the first time in history which will go a long way in strengthening the Corporate Governance practices in your Corporation.

### **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 Personnel.

Your Corporation has introduced the concept of Zonal Offices and the entire area of operations of the Corporation has been subdivided into five zones namely North East Frontier, North Bengal, South Bengal, East



Coast and Kolkata. Each of these zones are headed by a Zonal Manager. This concept has resulted in more efficient handling of procurement related activities, administrative issues, optimum manpower utilization and also maintenance of good liaison with concerned State Govt. officials.

Your Corporation has developed a revolutionary Mobile Application by the name of J-MAP which helps in sending real time data from DPCs to ROs/RLDs and Head Office. This helps in keeping and overall control and check on the procurement process as well as facilitates quick and timely redressal and decision making.

As you are aware your Corporation has 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, the android based mobile application “Bhuvan Jump” developed by your Corporation in association with ISRO for assessment of jute crop is proving to be very useful. So far about 7026 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 2018-19.

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 is also looking forward to participating in more national and international fairs of repute like it has done in the past to explore fresh avenues of business, keeping in mind its long term goal of diversification. Your Corporation has also tied up with well known brands like AMUL, PUMPAHAR, TAJ BENGAL, SBI, MRIGNAYANEE, GIRIJAN COOPERATIVE CORPORATION LTD. 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.

Last but not the least, your Corporation has started an Innovation Cell on the auspicious occasion of Teachers’ Day, which will work towards exploring new avenues of business and alternate revenue generation for future sustainability of your Corporation.

### **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 2017-18

Dear Shareholders,

It is a matter of great pleasure for me to present before you on behalf of the Board of Directors, the 47<sup>th</sup> Annual Report on the performance of your Corporation together with the Auditors Report and Audited Accounts for the year 31<sup>st</sup> March, 2018, and the report of the Comptroller and Auditor General of India thereon.

The significant features of the workings of your Corporation are being enumerated below :

### 1. RAW JUTE DEMAND - SUPPLY SCENARIO

The crop year 2017-18 began with a carryover of 22 lakh bales from 2016-17. The forecast for total production of raw jute was 80 lakh bales (180 kgs. each) based on the crop prospect as per the reports received from different Regions. The increase in the Minimum Support Price (MSP) was by ₹300/- (₹3500 – ₹3200), as declared by the Govt. of India. But the actual production during the year was 76 lakh bales against the actual production of 92 lakh bales for the year 2016-17 and import from Bangladesh 3.40 lac bale. Out of this, the actual mill consumption was 69 lakh bales against estimated mill consumption 80 lakh bales and domestic consumption 10 lakh bales. So, there be a surplus of 22.40 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 2018-19 appears to be at a lesser scale when compared to previous year.

### 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 ₹3,500/- per quintal for the crop year 2017-18. This MSP was higher by ₹300/- per quintal than MSP of the crop year 2016-17. 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 3,15,260 bales of raw jute under MSP operations in the F.Y 2017-18. A summary of the Financial Position of MSP Operation for the year 2017-18 as per Annual Accounts as on 31<sup>st</sup> March, 2018 is as under :-

Purchase Quantity (180 kg. Bale)	Purchase Value ( ₹ in lakh)	Operational Cost ( ₹ in lakh)	Sales Quantity (Bales)	Sale Value (net) ( ₹ in lakh)
3,15,260	17,215.89	672.83	2,45,612	17,195.99
Closing Stock			1,61,061	10,425.28
Overall Profit/ (Loss) after tax				2,346.87

## 2.2 Commercial Operation

A summary of the Financial Position of Commercial Operation for the year 2017-18 as per Annual Accounts as on 31st March, 2018 is as under :-

Purchase Quantity (180 kg. Bale)	Purchase Value ( ₹ in lakh)	Operational Cost ( ₹ in lakh)	Sales Quantity (Bales)	Sale Value (net) ( ₹ in lakh)
	21.48	0.00	2950	210.27
Closing Stock			63,070	3,471.95
Overall Profit/ (Loss) after tax				(621.43)

## 3. FINANCIAL REVIEW

- 3.1 During the year under review, your Corporation procured around 3,15,260 bales of raw jute under MSP Operation.
- 3.2 The total turnover of your Corporation during 2017-18 was ₹18004 lakh. The Operating result shows a Net Profit after tax of ₹1768.20 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 ₹638.50 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 ₹11,990.44 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 ₹1768.20 lakh as compared to ₹919.80 lakh of profit for the previous year.
- 3.5 The company’s earnings per share (Face Value ₹100/-) for 2017-18 is ₹354 as compared to ₹184 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 ₹110 crores every year. During the Financial Year 2017-18 owing to deep MSP situation, your Corporation performed remarkably well and made extensive procurement under MSP operation.
- 3.7 Proposed dividend including tax thereon comes to ₹638.50 lakh as compared to 332.18 lakh for the previous year.
- 3.8 The profit margin earned in MSP operations could not be withstood to an extent owing to the loss in commercial operations.

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

Your Corporation is the Price Support Agency of the Govt. of India for raw jute. It was set up in April 1971 primarily to protect the interest of the Jute Growers through procurement of Raw Jute under the MSP fixed by the Govt. of India from time to time and also to stabilize the raw jute market price to the possible extent for the benefit of the jute farmers and the jute economy as a whole.

In order to maintain its infrastructure for conducting the MSP operations of raw jute for benefitting the marginal farmers an annual Grant is provided to JCI in order to meet its fixed overhead costs.

Cabinet Committee on Economic Affairs (CCEA) has 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 has approved subsidy for four years i.e. Financial Years 2014-15, 2015-16, 2016-17 and 2017-18 at ₹55.00 crore, ₹52.11 crore, ₹49.38 crore and ₹46.78 crore respectively. Subsidy of ₹46.78 crore for the Financial Year 2017-18 has been received by your Corporation.

### **Future Subsidy**

Your Directors are also pleased to share that the Grant for the next two Years w.e.f 01.04.2018 to 31.03.2020 has already been approved by the Secretary Textiles being appraised by SS&FA to the tune of ₹100 Crore vide Ministry of Textiles OM No 5/7/2017- Jute dated 23<sup>rd</sup> May 2018.

## **5. MEMORANDUM OF UNDERSTANDING (MOU) – 2017-18**

Your Corporation could attain only a “Fair” grading for the year 2016-17. Some of the factors leading to this below par performance were beyond the control of your Corporation. The MSP scenario was much dormant compared to earlier years resulting in poor turnover. The performance of your Corporation in achieving the non-financial parameters of the aforesaid MoU were satisfactory. However, in the Financial year 2017-18 things are looking encouraging and a turnaround in MoU ratings for 2017-18 is very much possible.

Under the Memorandum of Understanding (MoU) 2017-18, your Corporation, inter-alia, is under obligation to fulfill the following :

### **(i) Other Parameter**

Sector specific result-oriented measurable parameters – Implementation of project jute ICARE (Criteria : No. of Farmers covered) - your Corporation managed to achieve this target as it registered 102372 no. of farmers under the aforesaid criteria for MoU 2017-18.

### **(ii) HRM Parameters**

- a) Online submission of ACR/APAR in respect of all executive (E0 and above) along with compliance of prescribed timelines w.r.t writing of ACR/APAR.
- b) Online quarterly vigilance clearance Updation for Senior Executives (E5 and above).
- c) Preparation of succession plan and its approval by Board of Directors – your Corporation managed to achieve this target by preparing the succession plan and getting the same approved by the Board in its 245<sup>th</sup> meeting held on 26.09.2017.
- d) Holding of DPC without delay for executives (E0 and above level) – your Corporation managed to achieve this target as it held 17 nos. Departmental Promotional Committees representing a 100% DPCs for its officers for E0 and above level.
- e) Talent management and carrier progression by imparting at least one week training in Centre of Excellence e.g. IITs, IIMs, NITs, ICAI etc. in India - your Corporation managed to achieve this target as it sent 9 of its executives to various centres of excellence like IITs, IIMs, ICAI, ICWA etc.

Apart from the above, the evaluation criteria for all the other MoU targets for the year 2017-18 are reflected in the Annual Accounts of the Corporation for the Financial Year 2017-18.

## **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. Additional Managers have been recruited to strengthen the JDP vertical. Recently, due to ban in plastic, bulk orders has started flowing in from municipalities, Govt. bodies and other public sector undertakings.

## **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 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 i.e 2017-18, the ICARE scheme covered an area of 70628 hectare and registered 102372 nos. of farmers.

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. This year 62 places was identified through satellite imaging where there is a potential market without the presence of JCI. These areas are going to be covered by JCI through an outsourcing model with NACOF and other cooperatives and farmers' clubs. The process for their empanelment is on. So far about 7026 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 2018-19.

## **8. MANAGEMENT DISCUSSION AND ANALYSIS**

### **a) Industry structure and developments**

At the beginning of the crop year 2017-18, the market price of raw jute was ruling below MSP, as a result of which your Corporation procured substantial quantities of raw jute under MSP operations.

Simultaneously, your Corporation also made endeavors to dispose of the procured raw jute and was successful in achieving an excellent turnover. The process of selling of raw jute is still going on. The details of the same is given 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 ₹17215.89 lakh during the year as compared to ₹2879.40 lakh during the previous year.
- Procurement of raw jute under Commercial Operations was ₹21.48 lakh during the year as compared to ₹10399.35 lakh during the previous year.
- Sale of raw jute procured under MSP was ₹17195.99 lakh during the year as compared to ₹44.10 lakh during the previous year.
- Sale of raw jute procured under Commercial Operations was ₹210.27 lakh during the year as compared to ₹5053.67 lakh during the previous year.
- Operating profit (before tax) of your Corporation has improved by ₹1457.11 lakh during the year under review (from ₹2746.11 lakh in 2017-18 - ₹1289.00 lakh in 2016-17) which is an increase of 113% over last year. This is mainly on account of cost reduction approach taken by the management.

**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 82 numbers of its employees, in the areas of “Finance for Non-Finance”, Soft Skills, Pension and Retirement Benefits, Maintenance of SC/ST Register.

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.



*A cheque being handed over to “Voice of World”, a social welfare organization for the Differently – Abled and the Underprivileged, under the CSR programme of the Corporation.*

Your Corporation has a committee for CSR activities consisting of Chairman-cum-Managing Director, Jt. Secretary and Director(Finance). Now with the appointment of an Independent Director on the Board of your Corporation the said CSR Committee is being reconstituted with the Independent Director being nominated as the Chairman of the aforesaid committee.

During the Financial Year 2017-18 your Corporation had to spend an amount of ₹31.51 lakh as per calculation in compliance with Section 135 of the Companies Act, 2013. Within this budget your Corporation earmarked to carry out the following activities :



Sl. No.	Activity	Budget ( ₹ in lakh)
1.	Swachhata Abhiyaan in schools in different regions	3.0
2.	Innovation Processes for Clean Production (Retting of jute plant with modern eco friendly retting technology at DPCs	2.5
3.	Health check-up camps through reputed NGOs with proven record in similar activities.	12
4.	Donating Hearing Aids, Contributions to Leprosy Society, Blind Society and miscellaneous items recognized as CSR activities under the Companies Act. 2013.	8.51
5.	Improvement to Citizen Interface Areas Cleanliness Drive at 30 DPCs/ROs	3
6.	Swachhata Pakhwada Activities	2.5
	<b>TOTAL</b>	<b>31.51</b>

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 2017-18 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 31.03.2018 – 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 (10.10.2017)
1.	Dr. K.V.R. Murthy (DIN: 07628725) (from 02.07.2016)	CMD	5	5	5	Yes
2.	Smt. Babni Lal (DIN:06952358) (from 18.06.2014)	Govt. Director	5	5	2	NA
3.	Sri A.M. Reddy (DIN:06633791) (from 23.03.2015)	Govt. Director	5	5	4	NA
4.	CA. P. Dasgupta (DIN:07059472) (from 03.11.2014)	Director (Finance)	5	5	5	Yes
Date of Board Meetings : 15.06.2017, 24.08.2017, 26.09.2017, 12.12.2017 & 06.03.2018						

- C) Audit Committee as on 31.03.2018 – 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 - Chairperson
2. Sri A.M. Reddy, Govt. Director - Member
3. Dr. K.V.R. Murthy, CMD - Member

The Company Secretary acts as 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	4	4	2
2.	Sri A.M. Reddy (from 23.03.2015)	Govt. Director	4	4	3
3.	Dr. K.V.R. Murthy (from 02.07.2016)	CMD	4	4	4
Date of Audit Committee Meetings : 15.06.2017, 24.08.2017, 12.12.2017 & 06.03.2018					

## D) General Body Meetings :

		2014-15 (44 <sup>th</sup> AGM)	2015-16 (45 <sup>th</sup> AGM)	2016-17 (46 <sup>th</sup> AGM)
1.	Date	30.09.2015	29.09.2016	16.10.2017
2.	Time	4.00 P.M	4.00 P.M	5.00 P.M
3.	Venue	Registered Office of the Corporation, 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.
  - viii) 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.
- F) 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.
- G) 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](http://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 31<sup>st</sup> March, 2018 @ ₹106.10 per share to its shareholder i.e. Govt. of India. The total outgo in the form of dividend, including taxes will be ₹6.38 crore. The payment of dividend is subject to approval of the members in the ensuing 47<sup>th</sup> AGM of your Corporation

## **12. AN OVER – VIEW OF THE FINANCIAL PERFORMANCE IN 47 YEARS**

A scanning of the financial performance of your Corporation during 47 years since inception to 2017-18 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 31<sup>st</sup> March, 2018 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 82 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.



*CMD & C(V&A) accepting the “Best Employer Award” from 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.

#### 17. MANPOWER

There were 279 number of regular and 167 number of casual employees in your Corporation as on 31.03.2018.

#### 18. SC/ST/OBC STATUS

There were 42 No. of SCs, 17 No. of STs and 24 No. of OBCs as permanent employees in the Corporation as on 31.03.2018.



*CMD and C(V&A) receiving an award for excellent work in RTI from the RTI Institute of India at New Delhi.*

#### 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

The Corporation has constituted a committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint referred to the Committee during the year under review.

#### 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 31.03.2018, 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 14.9.2017 and Hindi fortnight was also observed between 1<sup>st</sup> September, 2017 to 13<sup>th</sup> September, 2017 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.

### 23. PROGRAMME ON VIGILANCE AWARENESS

Vigilance Awareness Programme was observed from 30.10.2017 to 04.11.2017. 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 Debasish Basu, Dy. CVO, Eastern Railways was invited as the Guest of Honour who interacted with the employees about various vigilance issues like sensitisation on policies/procedures on preventive vigilance



*CMD and Hindi Officer receiving an award of TOLIC (PSUs), Kolkata for Excellent Work in Rajbhasha.*



*Vigilance Awareness Week being observed at the Head Office of the Corporation where Sri Debasish Basu, Dy. CVO, Eastern Railways was the Guest of Honour.*

### 24. BOARD OF DIRECTORS

Sri P. Dasgupta, Director (Finance) relinquished his office on 05.07.2018. The Board placed on record its appreciation for the valuable services rendered by Sri Dasgupta during his tenure as Director (Finance) on the Board of the Corporation.

Your directors take pleasure in informing you that the President of India has appointed an Independent Director on the Board for the first time in the history of the Corporation. Dr. S.K. Panda, retired IAS and Ex-Secretary (Textiles) has joined the Board of your Corporation as an Independent Director w.e.f 09.08.2018. The Directors welcomed Dr. Panda on the Board of the Corporation.

**25. EXTRACT OF ANNUAL RETURN****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31.03.2018****[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 <sup>th</sup> 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	
<b>A. Promoters</b>	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
<b>Sub-total (A) (1):-</b>	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
<b>Sub-total (A) (2):-</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter (A) = (A) (1)+(A) (2)</b>	Nil	500000	500000	100	Nil	500000	500000	100	Nil
<b>B. Public Shareholding</b>									
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
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



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	
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
<b>Sub-total (B)(1):-</b>	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
<b>Sub-total (B)(2):-</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	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
<b>Grand Total (A+B+C)</b>	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
	<b>President of India</b>				
	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	₹46.48 Lac			₹46.48 Lac
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>	₹46.48 Lac			₹46.48 Lac
Change in Indebtedness during the financial year				
• Addition	₹3612.50 Lac	-	-	₹3612.50 Lac
• Reduction				
<b>Net Change</b>	₹3612.50 Lac			₹3612.50 Lac
Indebtedness at the end of the financial year:				
i) Principal Amount	₹3658.98 Lac	-	-	₹3658.98 Lac
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>	₹3658.98 Lac			₹3658.98 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)
<b>A. COMPANY:</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS:</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT:</b>					
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.

Your Corporation uses low energy consuming lights and has installed LED lights in its offices in line with the directions of the Ministry of Textiles. It has also carried out refinement of decorticator machine with adjustable spring loading roller attachment along with field demonstration, at different jute growing states as a measure towards conservation of energy.

## 27. STATUTORY AUDITORS

M/s. M.C. Jain, Chartered Accountants, Kolkata, has been appointed as the Statutory Auditors of your Corporation for the Year 2018-19 by the Comptroller & Auditor General of India Under Section 139 of the Companies Act, 2013, as amended.

Your Corporation is not required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

## 28. 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**

**(Dr. K.V.R. Murthy)**

**Chairman-cum-Managing Director**

Place : Kolkata

Dated: 28.09.2018



*“World Yoga Day” being celebrated at the Head Office.*



*Employees of the Corporation participating in the “Swachhata Hi Seva” rally.*



*A Health Check-up camp being organized at the Head Office for the employees of the Corporation.*



*A Press Conference being held at Press Club, Kolkata to disseminate information about Jute I-CARE Project.*

## ANNEXURE - 'A'

## FINANCIAL RESULTS 2017-18

(₹ in Lakh)

	Internal Raw Jute			Diversified	
	Price Support	Commercial	Jute Seed	Jute Products	Total
INCOME					
Sales	17196.00	210.27	580.79	17.01	18004.07
Interest	309.45	0	0	0.70	310.15
Subsidy from Government (MSP)	4678.00	0	0	0	4678.00
Other Credits	307.72	0	0	0	307.72
Transfer from Internal Raw Jute	0	2295.07	0	0	2295.07
Closing Stock	10425.28	3471.95	87.53	4.11	13988.87
Prior period adjustment	0	0	0	0	0
Total	32916.45	5977.29	668.32	21.82	39583.88
EXPENDITURE					
Opening Stock	2997.49	6471.72	0	5.11	9474.32
Purchase	17215.89	21.48	596.10	13.40	17846.87
Trading Expenses	1331.92	53.76	1.15	0	1386.83
Godown Rent & Insurance	134.46	51.74	0	0	186.20
Transfer from Internal Raw Jute	2295.07	0	0	0	2295.07
Overhead	5476.18	0	0	7.04	5483.22
Prior period adjustment	6.46	0	0	0	6.46
Total	29457.47	6598.70	597.25	25.55	36678.97
Surplus (+)/Deficit (-) one year's Operation Before Interest and Depreciation					
Interest	149.01	0	0	0	149.01
Depreciation and Amortization	9.77	0	0	0	9.77
Provision for Income Tax	953.32	0	24.60	0	977.91
Profit(+)/loss( ) for the year	2346.87	-621.42	46.47	-3.73	1768.20
Proposed Dividend	0	0	0	0	530.50
Dividend Distribution Tax on Proposed Dividend	0	0	0	0	108.00
Net Surplus for the year	0	0	0	0	1129.70
Reserve & Surplus as on 31.03.2017	0	0	0	0	10860.74
Reserve & Surplus as on 31.03.2018	0	0	0	0	11990.44

## ANNEXURE - 'B'

**SCANNING OF THE PROFIT & LOSS SINCE  
INCEPTION - 47 YEARS (FROM 1971-72 TO 2017-18)**

		₹ in Crore
	Cumulative upto 2017-18	Percentage of various items to Total Expenditure of ₹4,904.45
<b>I. Income</b>		
Sales	3342.80	
Subsidy from Government (MSP)	625.10	
Subsidy from Government (Seeds)	14.93	
Special subsidy from West Bengal (MSP)	1.55	
Other Income	249.97	
Closing Stock	139.88	
	<b>4374.23</b>	<b>89</b>
<b>II. Expenditure</b> (Excluding Overhead & Interest)		
Purchase	2784.57	
Trading & Operational Expenses	312.51	
Warehousing	94.35	
Insurance	32.31	
Prior period & other adjustments	16.23	
	<b>3239.97</b>	<b>66</b>
III. Surplus before overhead & Interest (I-II)	1134.26	
IV. Less : Overhead	1080.07	<b>22</b>
V. Surplus/(Deficit) before interest(III-IV)	54.19	
VI. Add : Interest on borrowings	(584.41)	<b>12</b>
	(530.22)	
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 & 2017-18)	62.07	
Fringe Benefit Tax (2005-06 to 2008-09)	0.37	
Dividend to Govt. including distribution tax (1971-72, 1973-74, 2016-17 & 2017-18)	9.77	
Loss :	(602.43)	
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 2017-18 carried over in the Balance Sheet (VIII+IX+X-VII)	119.90	

## 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><b>Programmes planned and budgeted during F.Y 2017-18</b></p> <ol style="list-style-type: none"> <li>1. Outreach (Swachhata Abhiyaan campaign at schools).</li> <li>2. Innovation Processes for Clean Production (Retting of jute plant with modern eco friendly retting technology at DPCs.</li> <li>3. Improvement to Citizen Interface Areas Cleanliness Drive at DPCs/ROs.</li> <li>4. Swachhata Pakhwada Activities.</li> <li>5. Organising Health Camps at different ROs/DPCs.</li> <li>6. Donating Hearing Aids, Contributions to Leprosy Society, Blind Society and miscellaneous items recognized as CSR activities under the Companies Act. 2013.</li> </ol>
<p>2 The composition of the CSR Committee</p>	<ol style="list-style-type: none"> <li>1) Chairman-cum-Managing Director, JCI</li> <li>2) Joint Secretary (Jute), Ministry of Textiles, Government of India</li> <li>3) Director (Finance), JCI</li> </ol>
<p>3 Average net profit (before tax) of the company for last three financial years (2014-15, 2015-16 &amp; 2016-17)</p>	<p>₹15,76,00,000/-</p>
<p>4 Prescribed CSR Expenditure (two per cent of the amount as in term 3 above)</p>	<p>₹31,51,000/-</p>
<p>5 Details of CSR spent during the financial year</p> <ol style="list-style-type: none"> <li>1) Total amount to be spent for the financial year</li> <li>2) Amount unspent, if any;</li> <li>3) Manner in which the amount spent during the financial year</li> </ol>	<ol style="list-style-type: none"> <li>1) ₹31,51,000/-</li> <li>2) 15.45 lakh – to be spent in F.Y 2018-19 in addition to CSR budget of 2018-19.</li> <li>3) The manner in which the amount spent is detailed in Table below:</li> </ol>

**Table: Details of CSR amount spent for 2017-18**

Sl.	CSR Project	Sector	Project State/ District	Amount (in ₹)
I	Outreach (Swachhta Abhiyaan campaign at schools).	Swachh Bharat/ Sanitation	West Bengal & Assam	1,20,000/-
II	Innovation Processes for Clean Production (Retting of jute plant with modern eco friendly retting technology at DPCs).	Swachh Bharat	West Bengal & Assam	1,20,000/-
III	Improvement to Citizen Interface Areas Cleanliness Drive at DPCs/ROs.	Swachh Bharat	All India	2,85,000/-
IV	Swachhata Pakhwada Activities.	Swachh Bharat	West Bengal	2,50,000/-
V	Organising Health Camps at different ROs/DPCs.	Health	All India	7,79,548/-
VI	Donating Hearing Aids, Contributions to Leprosy Society, Blind Society and miscellaneous items recognized as CSR activities under the Companies Act. 2013.	Health	West Bengal	51,000/-
<b>TOTAL</b>				<b>16,05,548/-</b>

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 2018-19 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 2016-17 (spent in Financial Year 2017-18)**

Activity	Amount (In ₹)
Napkin Disposal Machines for distribution to Girls' School (CSR activities at Girls Schools)	600000
Contribution to Prime Minister's Relief Fund	50000
Contribution to Swachh Bharat Kosh	50000
Cleanliness drives at schools	169560
Cleaning beautification of public toilets	139886
Health check-up camps	79548
<b>Total</b>	<b>1088994</b>

The total expenses for CSR incurred during 2017-18 was ₹26,94,592/- which is comprised of unspent CSR budget of F.Y 2016-17 of ₹10,88,994/- which was spent in 2017-18 and ₹16,05,548/- towards CSR expenses budgeted in F.Y 2017-18. Unspent budget of ₹15,45,000/- of the F.Y 2017-18 as well as ₹6,00,000/- of the Financial Year 2016-17 is planned to be spent in 2018-19 for which a suitable note has been included in the annual accounts of 2017-18.



## 5 YEARS PERFORMANCE TREND

₹ in Lakh

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>A OPERATING STATISTICS</b>					
Turnover	12574.94	8945.39	2134.02	6330.17	18004.07
Other Income	6874.60	6322.53	6096.21	5948.53	5295.87
Expenditure	17797.06	13655.19	6395.47	11047.80	20547.37
Prior Period Adjustment (Net)	5.38	3.51	5.9	[58.10]	6.46
Profit before Tax	1647.10	1609.21	1828.84	1289.00	2746.11
Tax	660.00	595.62	715.00	353.00	977.92
Deferred Tax Expenses	-	[41.46]	25.25	0.00	0.00
Profit After Tax	987.10	1055.05	1088.60	919.80	1768.20
Dividend including Dividend Tax	-	-	-	332.19	638.50
Amount transfer to General Reserve	987.10	1055.05	1088.60	587.61	1129.70
<b>B FINANCIAL POSITION</b>					
Capital Employed	8637.26	9684.54	10773.13	11360.74	12490.44
Non-Current Assets	254.38	292.03	249.62	240.71	238.99
Current Assets	16456.15	16193.99	17235.87	19077.45	26399.78
Equity & Liabilities :					
i) Share Capital	500.00	500.00	500.00	500.00	500.00
ii) Reserve & Surplus	8137.26	9184.54	10273.13	10860.74	11990.44
Non-current Liabilities	3084.16	4178.11	3722.76	3446.25	3318.82
Current Liabilities	4989.11	2623.37	2989.6	4511.17	10829.52
<b>C RATIOS</b>					
PBT / Turnover	0.13	0.18	0.86	0.20	0.15
PAT / Turnover	0.08	0.12	0.51	0.15	0.10
PBT / Capital Employed	0.19	0.17	0.17	0.11	0.22
PAT / Net Worth	0.11	0.11	0.10	0.08	0.14
Turnover/Net Worth (Number of times)	1.46	0.92	0.20	0.56	1.44
Trade Receivable/Turnover (%)	3.07	7.88	8.16	0.93	26.05



## 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 31<sup>st</sup> March, 2018 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 14<sup>th</sup> 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 4.1.1 of the guidelines:* that two-third of the member of Audit Committee shall be Independent Directors.
- iii. *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 2<sup>nd</sup> Day of September, 2018

## FIELD OFFICES

As on 31.3.2018

State	RO/RLD	No. of DPCs
West Bengal	1. Kolkata RLD	22
	2. Krishnagar	15
	3. Bethuadahari	11
	4. Berhampore	13
	5. Tulsihata RLD	10
	6. Siliguri	10
	7. Coochbehar	9
Bihar	Forbesganj RLD	17
Assam/Meghalaya	1. Juria RLD	10
	2. Gouripore RLD	5
	3. Guwahati	7
Tripura	Agartala	2
Odisha	Bhadrak	6
Andhra Pradesh	Parvatipuram	4
		<b>141</b>



## 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 31<sup>st</sup> March, 2018, 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, 13 & 15)
2. Sales of Jute Seeds includes a sum of ₹72,21,068 as stated to be proceeds from sale of 57773 Kgs of unsold stock as on 31.03.2017. However as per audited financial statements for the year ended 31.03.2017 there was no such closing stock of Jute Seeds. The matter remains unexplained. (Refer Note 17)
3. Note 8 & 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 Enjyme Retting, Common Facilitation Centre, Pilot Project and Bhuwanjump Project. The Debit/Credit balances held in the accounts in respect of these projects and NJBA are subject to confirmation and reconciliation.

As per audited financial statements of Project I Care (Phase III) and Bhuwanjump Project an amount of ₹8,89,569 and ₹13,88,526 respectively is receivable from National Jute Board Authority for respective projects. However as per books of accounts of Corporation Nil amount is receivable for Project I Care (Phase III) and an amount of ₹42,498 only is receivable for Bhuwanjump Project. The difference between amount as recorded in books of accounts with audited financial statements of respective projects remain unexplained. Consequential revenue impact if any is presently not ascertainable. Further income of ₹43,28,075 on account of supervision charges receivable for Project I Care (Phase III) has not been accounted for in the books.

4. Liability for Expenses & Other Payables includes an amount of ₹6,22,94,902 of which item wise breakup was not made available to us and remains unverified. Consequential revenue impact if any is presently not ascertainable. (Refer Note 8)
5. 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 ₹3,15,31,231 as on 31.03.2018 and Provisions for Sales Tax/VAT aggregating to ₹3,12,96,831 held as on 31.03.2018 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).
6. Note No. 9- The Income Tax paid by the company for meeting its income tax liability is not set off/ adjusted with provisions created/ held for respective year and both the amounts are separately held in the accounts as Advance Income Tax and Provision for Income Tax. It is noticed from year wise break-up that as against Advance Tax paid aggregating to ₹1,48,62,773 for asst. years upto 2008-09

corresponding provisions held in the books is ₹8,55,272 only depicting thereby that as per books differential amount of ₹1,40,07,501 is refundable. However as informed no such refund is due and therefore provisions held in the accounts is short to the extent of ₹1,40,07,501. Further for asst. year 2009-10 as against advance tax of ₹20,88,30,199 corresponding provision held in the books is ₹17,10,55,138 only depicting thereby that as per books differential amount of ₹3,77,75,061 is refundable. However as per asst. order (u/s 263 dated 31.03.2015) an amount of ₹12,82,55,104 is due to be paid and therefore provisions held in the accounts is short to the extent of ₹16,60,30,165.

7. Following balance held in the accounts are subject to confirmation/reconciliation. Consequential revenue impact if any is presently not ascertainable. (Refer Note 8 & 15)
- National Jute Board ₹28,99,420 (Dr.)
  - Jute Technology Mission ₹10,27,011 (Cr.)

### **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, 2018 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. 18- Old Liabilities outstanding in books no longer payable aggregating to ₹1,37,02,524 has been written back during the year end and credited to Profit & Loss A/c.
2. Note No. 8- Liability for Expenses & Other Payables includes liability for Market Levy payable pertaining to earlier years which remains unpaid since long, quantum of which is not readily ascertainable from available information.
3. Note No. 8- Advance from Customers of ₹2,85,91,726 outstanding as on 31.03.2018 includes balances aggregating to ₹31,96,914 which are outstanding for more than three years.
4. Note No. 4 & 14- Interest received aggregating to ₹1,07,02,832 on term deposit held for JTM, Retting Tank and Manual Development Ribboner Project & IJSG is credited to respective Projects and is not accounted for as income in the books of accounts. However same has been considered as income for computing income tax payable for the year and TDS on interest received has been claimed by the company.
5. Note 15 - 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.
6. Note No. 14- Balance held in following bank accounts as on 31.03.2018 are subject to confirmation:
  - a. CBI-CA-Delhi Office ₹29,871
  - b. AB-Bhubaneswar (Baling Centre) ₹551.80
  - c. CB-Ascroft (Baling Centre) ₹1,970.92



7. Note No. 19- Operational Expenses for the year ended 31.03.2018 is ₹6,73,33,464.50 as compared to ₹3,27,45,331 for the year ended 31.03.2017. The same in percentage terms to total purchases for respective years works out to 3.90% for the year ended 31.03.2018 and 2.46% for the year ended 31.03.2017. Steep increase in operational expenses to the extent of 58.54% for the year ended 31.03.2018 as compared to year ended 31.03.2017 remains unexplained.
8. Note No. 19- Operational Expenses of ₹6,73,33,464.50 incurred are mostly in the nature of labour payments made to Contractor (Sardar) and therefore being contractual payments attracts TDS u/s 194C. However TDS has not been deducted on such payments.
9. Note No. 23- Repairs and Renewals includes an amount of ₹52,50,477 expended on godowns constructed under JTM Project being used by but not owned by the Corporation.
10. Note No. 15- The Corporation during the year has made excess payments to the tune of ₹1,44,56,518 to farmers/ unknown persons against purchases made, as stated to be due to software error. An amount of ₹89,37,131 has since been recovered upto 31.03.2018 and balance amount of ₹55,19,387 recoverable as on 31.03.2018 is reflected under the head Advance to Other Parties under Short Term Loans and Advances.

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 5<sup>th</sup> 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. 27 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

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

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

33, Brabourne Road, Kolkata-1.  
The 5<sup>TH</sup> Day of July, 2018

**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 Income Tax dues of ₹6,77,691 for AY 2004-05 and ₹12,82,55,104 for AY 2009-10, no undisputed amount in respect of aforesaid statutory dues were in arrears, as at 31<sup>st</sup> March, 2018 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 has been filed with the Assessing Officer.	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 has been filed with the Assessing Officer.	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 has been filed with the Assessing Officer.	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 has been filed with the Assessing Officer.	1170.57	A.Y.2008-09
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 has been filed with the 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 5<sup>th</sup> 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 5<sup>TH</sup> Day of July, 2018

**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 Creditors written off</td><td>40,730</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 Creditors written off	40,730	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 Creditors written off	40,730	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 5<sup>TH</sup> Day of July, 2018



**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 2018 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 2018, 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 5<sup>TH</sup> Day of July, 2018.

**MANAGEMENT REPLY TO THE OBSERVATIONS MADE BY THE  
STATUTORY AUDITORS ON THE ACCOUNTS OF THE  
CORPORATION FOR THE YEAR 2017-18**

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
	<b>PART I : Basis for qualified opinion:</b>	
1.	The company does not have any system to call for balance confirmations in respect of debit/credit balances of sundry debtors, sundry creditors, and 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.)	A system of seeking confirmation of balances from debtors/creditors, is already in place and a few specimen of letter issued were shown to auditors. Further Party wise, item wise and year wise details of sundry debtors, sundry creditors, and advance from customers, security and earnest money deposit, outstanding liabilities, other payables and other advances were presented before auditors. Since, JCI basically procures jute from farmers against instant payment and sale to customers against advance payment/immediate 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 debtors/creditors balances as through review is in progress and required provision is made against respective debtors on case to case basis.
2.	Sales of Jute Seeds includes a sum of ₹72,21,068 as stated to be proceeds from sale of 57773 Kgs of unsold stock as on 31.03.2017. However as per audited financial statements for the year ended 31.03.2017 there was no such closing stock of Jute Seeds. The matter remains unexplained.	Total quantity of jute seeds sold during the initial period of FY 2017-18 (as referred by audit) has been given accounting impact simultaneously for both sales and purchase in the year of sale as per prevailing process, hence, there is no financial implication of the same in books of account.
3.	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 Enjyme Retting, Common Facilitation Centre, Pilot Project and Bhuwanjump Project. The Debit/Credit balances held in the accounts in respect of these projects and NJBA are subject to confirmation and reconciliation. As per audited financial statements of Project I Care (Phase III) and Bhuwanjump Project an amount of ₹8,89,569 and ₹13,88,526 respectively is receivable from National Jute Board Authority for respective projects. However	Various projects under NJB have been segregated under different Account Heads in the books of account of JCI. Matter has been taken up with NJB and their confirmation / comments are awaited. In case of ICARE there are four phases which come under single project name of Project I Care. In case all the phases are taken into account then there be no major differences in the Balance position. However, in the FY 2018-19, Accounts for all the phases will be segregated after due reconciliation.

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
	as per books of accounts of Corporation Nil amount is receivable for Project I Care (Phase III) and an amount of ₹42,498 only is receivable for Bhuwanjump Project. The difference between amount as recorded in books of accounts with audited financial statements of respective projects remain unexplained. Consequential revenue impact if any is presently not ascertainable. Further income of ₹43,28,075 on account of supervision charges receivable for Project I Care (Phase III) has not been accounted for in the books.	
4.	Liability for Expenses & Other Payables includes an amount of ₹6,22,94,902 of which item wise break was not made available to us and remains unverified. Consequential revenue impact if any is presently not ascertainable.	The observation of auditor differs a bit from the factual positions. Out of the Total Liability & Other Expenses as on 31.03.2018, amounting to ₹26.22 Crore approx., more than 92% details were submitted for audit verification. For the balance of less than 10% amount, review is under process and necessary accounting impact is expected in FY 2018-19. Such review is a continuous process from previous years and accordingly Note no. 18 has been incorporated in accounts, mentioning write back amount of liability identified during the year as no longer required.
5.	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 ₹3,15,31,231 as on 31.03.2018 and Provisions for Sales Tax/VAT aggregating to ₹3,12,96,831 held as on 31.03.2018 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.	In the Annual Accounts: 2017-18, 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. A continuous effort is going on to call for old assessment/tax return records as may be available to summarize the position logically without losing the control. This matter does not have any considerable financial impact on books of account for difference in mode of presentation.

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
6.	<p>The Income Tax paid by the company for meeting its income tax liability is not set off/ adjusted with provisions created/ held for respective year and both the amounts are separately held in the accounts as Advance Income Tax and Provision for Income Tax. It is noticed from year wise break-up that as against Advance Tax paid aggregating to ₹1,48,62,773 for asst years upto 2008-09 corresponding provisions held in the books is ₹8,55,272 only depicting thereby that as per books differential amount of ₹1,40,07,501 is refundable. However as informed no such refund is due and therefore provisions held in the accounts is short to the extent of ₹1,40,07,501. Further for asst. year 2009-10 as against advance tax of ₹20,88,30,199 corresponding provision held in the books is ₹17,10,55,138 only depicting thereby that as per books differential amount of ₹3,77,75,061 is refundable. However as per asst. order (u/s 263 dated 31.03.2015) an amount of ₹12,82,55,104 is due to be paid and therefore provisions held in the accounts is short to the extent of ₹16,60,30,165.</p>	<p>The assessment years, referred by the auditor, decisions of appeals are still pending with the appellate authority. In the Ledger, Advance Income Tax and Provision for Income Tax are shown separately for maintaining ease in review of the matter and for better control in this regard. Difference in mode of presentation does not have any financial impact on books of account.</p>
7.	<p>Following balance held in the accounts are subject to confirmation/reconciliation. Consequential revenue impact if any is presently not ascertainable. (Refer Note 8 &amp; 15)</p> <ul style="list-style-type: none"> <li>• National Jute Board ₹28,99,420 (Dr.)</li> <li>• Jute Technology Mission ₹10,27,011 (Cr.)</li> </ul>	<p>As regards balance in accounts of National Jute Board, the matter of confirmation has been taken up with them, as has been mentioned in reply to point no.3 under 'Basis for qualified opinion' head.</p> <p>For Jute Technology Mission, JCI itself is the implementation agency and as such, the question of obtaining confirmation from the party does not arise.</p>
	<b>Part II : Emphasis of Matters</b>	
1.	<p>Old Liabilities outstanding in books no longer payable aggregating to ₹1,37,02,524 has been written back during the year end and credited to Profit &amp; Loss A/c.</p>	<p>This has been disclosed in Note no.18 to Accounts after necessary review of liability position to comply with audit comment of previous year.</p>
2.	<p>Liability for Expenses &amp; Other Payables includes liability for Market Levy payable pertaining to earlier years which remains unpaid since long, quantum of which is not readily ascertainable from available information.</p>	<p>Old liability for market levy is under process of settlement and for some Regions have been advised to send copies of Demands from respective Market yards, which was not readily traceable in records of the Head office.</p>

Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
3.	Advance from Customers of ₹2,85,91,726 outstanding as on 31.03.2018 includes balances aggregating to ₹31,96,914 which are outstanding for more than three years	Matter noted for reviewing and necessary corrective measures, in FY 2018-19.
4.	Interest received aggregating to ₹1,07,02,832 on term deposit held for JTM, Retting Tank and Manual Development Ribboner Project & IJSG is credited to respective Projects and is not accounted for as income in the books of accounts. However same has been considered as income for computing income tax payable for the year and TDS on interest received has been claimed by the company.	JCI is only the implementing agency of these projects, hence JCI is not claiming the income generated from interest earned on such term deposits. However, as these term deposits are in the name of JCI and TDS being deducted by Banks against PAN of JCI, necessary income tax adjustment entries between accounts of JCI and accounts of related projects are being processed.
5.	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 the auditors themselves, the amount has been suitably provided for in our books. This has been disclosed in Note no.15 to Accounts.
6.	Note No. 14- Balance held in following bank accounts as on 31.03.2018 are subject to confirmation: a. CBI-CA-Delhi Office ₹29,871 b. AB-Bhubaneswar (Baling Centre) ₹551.80 c. CB-Ascroft (Baling Centre) ₹1,970.92	Same Balance of CBI-CA-Delhi Office is continuing since 14-15 and same balances of AB-Bhubaneswar (Baling Centre) and CB-Ascroft (Baling Centre) are continuing since 09-10. In 2018-19 a review of non operating Bank Accounts will be taken up by the Management and decision in this regard will be taken.
7.	Operational Expenses for the year ended 31.03.2018 is ₹6,73,33,464.50 as compared to ₹3,27,45,331 for the year ended 31.03.2017. The same in percentage terms to total purchases for respective years works out to 3.90% for the year ended 31.03.2018 and 2.46% for the year ended 31.03.2017. Steep increase in operational expenses to the extent of 58.54% for the year ended 31.03.2018 as compared to year ended 31.03.2017 remains unexplained.	Operational expenses include ₹1, 41, 94,328/- as service charges paid to co-operatives at a pre-agreed rate for purchases made by them. Also Operational Expenses are not limited to activity relating to purchases, but also relate to activity of Sales. In this current Financial Year (17-18) quantum of Sales was increased substantially.  Further the same will be taken for the review process.
8.	Operational Expenses of ₹6,73,33,464.50 incurred are mostly in the nature of labour payments made to Contractor (Sardar) and therefore being contractual payments attracts TDS u/s 194C.	Corporation hiring most of the labourers from regulated market yard and making individual payment to the labourers. Since the individual payment has been made on account of individual



Sl.No.	AUDIT OBSERVATION	MANAGEMENT REPLY
	However TDS has not been deducted on such payments.	labourers did not exceed the threshold limit of TDS, deduction of TDS U/s 194C is not applicable in such instance.
9.	Repairs and Renewals includes an amount of ₹52,50,477 expended on godowns constructed under JTM Project being used by but not owned by the Corporation	As per resolution passed by the Board of Directors on 238 <sup>th</sup> Board Meeting held on 28.06.2016, Repairs or maintenance expenses of JTM godowns will be borne by the Corporation subsequent to 28.06.2016.
10.	The Corporation during the year has made excess payments to the tune of ₹1,44,56,518 to farmers/ unknown persons against purchases made, as stated to be due to software error. An amount of ₹89,37,131 has since been recovered upto 31.03.2018 and balance amount of ₹55,19,387 recoverable as on 31.03.2018 is reflected under the head Advance to Other Parties under Short Term Loans and Advances.	<p>The Corporation has taken initiative to disburse payment to jute growers directly through online mode (DBT or Direct Benefit Transfer) against raw jute purchase under MSP. To execute this process, a system software was adopted and input data were processed for selling jute growers. However, due to initial testing problem in said software an unexpected error occurred beyond the normal risks that could not be foreseen while computerization as well as lack of understanding of jute growers and field employees, some errors happened during the initial period of such DBT execution. Management promptly has taken up the matter along with our banker with a great effort in realising the substantial amounts (about 80%) went to the wrong beneficiary account. We have also informed the matter to the RBI. Further we are regularly coordinating with various bankers for realising the balance amount and confident to realize the total outstanding amount. Further details have been provided in Note No.38 to Accounts. To prevent any such errors in future the following steps are being taken.</p> <ol style="list-style-type: none"> <li>1) Multi level checking</li> <li>2) Introduction of RTGS / NEFT Mandate form</li> <li>3) Check on sample basis by finance official</li> <li>4) Software changes if any with CMD's approval</li> </ol>



**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 2018.**

The preparation of financial statements of The Jute Corporation of India Limited, Kolkata for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) 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 05 July 2018.

I, on the behalf of the Comptroller and Auditor General of India, have conduct a supplementary audit of the financial statements of The Jute Corporation of India Limited, Kolkata for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

**(SUPARNA DEV)**  
Director General of Commercial Audit  
& Ex-officio Member, Audit Board-I,  
Kolkata

Place: Kolkata  
Date: 27th September, 2018

**BALANCE SHEET AS AT MARCH 31, 2018**

(Amounts in ₹)

Particulars	Note No.	As at 31/03/2018	As at 31/03/2017
<b>I. EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share Capital	<b>3(A)</b>	5,00,00,000	5,00,00,000
Reserves and Surplus	<b>3(B)</b>	1,19,90,43,886	1,08,60,73,944
Non-Current Liabilities			
Other Long Term Liabilities	<b>4</b>	20,32,37,969	19,81,60,853
Long Term Provisions	<b>5</b>	12,86,43,559	14,64,63,475
Current Liabilities			
Short-Term Borrowings	<b>6</b>	36,58,97,664	46,48,275
Trade Payables	<b>7</b>	15,23,30,252	11,10,70,010
Other Current Liabilities	<b>8</b>	39,51,08,230	25,83,62,238
Short-Term Provisions	<b>9</b>	16,96,15,854	7,70,37,511
<b>TOTAL</b>		<b>2,66,38,77,414</b>	<b>1,93,18,16,306</b>
<b>II. ASSETS</b>			
Non-Current Assets			
Property, Plant & Equipments			
Tangible Assets	<b>10</b>	2,32,14,432	2,35,23,826
Intangible Assets		1,39,569	6,767
Long Term Loans and Advances	<b>11</b>	5,45,313	5,40,242
Current Assets			
Inventories	<b>12</b>	1,39,88,86,795	94,74,32,490
Trade Receivables	<b>13</b>	46,90,05,489	58,82,534
Cash and Cash Equivalents	<b>14</b>	75,60,66,038	87,93,31,987
Short term Loans and Advances	<b>15</b>	1,41,35,992	5,53,07,440
Other Current Assets	<b>16</b>	18,83,786	1,97,91,020
<b>TOTAL</b>		<b>2,66,38,77,414</b>	<b>1,93,18,16,306</b>
General Information & Significant Accounting Policies	<b>1 &amp; 2</b>		
Other Notes to Financial Statement	<b>26-41</b>		
The notes referred to above form integral part of these financial Statements			

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: 05.07.2018

**(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, 2018**

(Amounts in ₹)

Particulars	Note No.	As at 31/03/2018	As at 31/03/2017
<b>I. Revenue</b>			
Revenue from Operations	17	1,80,04,07,147	63,30,17,437
Other Income	18	52,89,41,227	60,06,62,548
<b>Total Revenue</b>		<b>2,32,93,48,374</b>	<b>1,23,36,79,985</b>
<b>II. Expenses</b>			
Cost of Trading Goods & Direct Expenses	19	1,87,05,42,448	1,48,58,47,360
Changes in Inventories of Trading Goods	20	(45,14,54,305)	(92,94,43,542)
Employee Benefits Expenses	21	49,93,96,691	46,82,67,892
Finance Cost	22	1,49,01,110	48,029
Depreciation & Amortisation Expense	25	9,77,131	8,06,236
Other Expenses	23	10,97,33,291	6,00,62,416
Miscellaneous Expenses	24	1,06,40,835	1,91,91,354
<b>Total Expenses</b>		<b>2,05,47,37,201</b>	<b>1,10,47,79,745</b>
Profit before exceptional and extraordinary expenses		27,46,11,173	12,89,00,240
Exceptional items		-	-
Extraordinary items		-	-
Profit before Tax		27,46,11,173	12,89,00,240
<b>Tax Expense:</b>			
Current Tax		(9,77,91,500)	(3,53,00,000)
Deferred Tax		-	(16,20,654)
<b>Profit After Tax</b>		<b>17,68,19,673</b>	<b>9,19,79,586</b>
<b>Average No. of Equity Share</b> (Face value of Rs.100 each)		5,00,000	5,00,000
Basic Earnings Per Share		354	184
Diluted Earnings Per Share		354	184

**General Information & Significant Accounting Policies 1 & 2****Other Notes to Financial Statement 26-41****The notes referred to above form integral part of these financial Statements**

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: 05.07.2018

**(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, 2018**

Particulars	2017-2018 (in ₹)	2016-2017 (in ₹)
<b>A. Cash Flow from Operating Activities :</b>		
Profit/(Loss) before tax and prior period Adjustment	27,46,11,173	12,89,00,240
Adjustment for:		
Depreciation & Amortisation Expense	9,77,131	8,06,236
Interest Income	(3,10,15,301)	(7,27,69,317)
Finance Cost	1,49,01,110	48,029
Operating profit before working capital change	25,94,74,113	5,69,85,188
(Increase)/Decrease in Inventory	(45,14,54,305)	(92,94,43,542)
(Increase)/Decrease in Sundry Debtors	(46,31,22,955)	1,15,25,281
(Increase)/Decrease in Loans and Advances	5,90,73,612	(5,09,91,339)
Increase/(Decrease) in Liabilities & Provisions	11,78,89,801	12,76,31,812
	(47,81,39,736)	(78,42,92,600)
Less: Income Tax Paid	(2,67,66,370)	(7,80,46,766)
<b>Net Cash Flow From Operating Activities</b>	<b>(50,49,06,106)</b>	<b>(86,23,39,366)</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of Fixed/Intangible Assets	(8,05,563)	(14,21,479)
Sale/Realisation of Fixed/Intangible Assets	5,024	-
Interest Received	3,10,15,301	8,14,11,813
<b>Net Cash Flow From Investing Activities</b>	<b>3,02,14,762</b>	<b>7,99,90,334</b>
<b>C Cash Flow From Financing Activities</b>		
Short Term Loan Taken	36,12,49,389	46,48,275
Finance Cost	(1,49,01,110)	(48,029)
<b>Net Cash Flow From Financing Activities</b>	<b>34,63,48,279</b>	<b>46,00,246</b>
Net Increase/Decrease in Cash & Cash Equivelant	(12,83,43,064)	(77,77,48,786)
Cash & Cash Equivelant at the beginning of the year	68,11,71,134	1,45,89,19,920
<b>Cash &amp; Cash Equivelant at the End of the year</b>	<b>55,28,28,069</b>	<b>68,11,71,134</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018

### 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/Regional Lead DPC (RLD) 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 Property Plant & Equipments and Depreciation

- i) Property Plant & Equipment (PPE) are stated at cost of acquisition less depreciation.
- ii) Cost of Leasehold Premises is amortized over the period of lease.
- iii) Depreciation on Property Plant & Equipment (PPE), 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 Rs.20 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/payment,

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

## **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 taxes 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, 2018*

**NOTE 3(A) : SHARE CAPITAL**

(Amounts in ₹)

Particulars	As at 31/03/2018	As at 31/03/2017
<b>Authorised</b>		
5,00,000 Equity Shares of ₹100/- each	5,00,00,000	5,00,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>		
5,00,000 Equity Shares of ₹100/- each fully paid up.	5,00,00,000	5,00,00,000
	<b>5,00,00,000</b>	<b>5,00,00,000</b>

**(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	-	-	-	-
<b>Shares outstanding at the end of the Year</b>	<b>5,00,000</b>	<b>5,00,00,000</b>	<b>5,00,000</b>	<b>5,00,00,000</b>

**(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, 2018		As on 31st March, 2017	
		No. of Share	% of the Holding	No. of Share	% of the Holding
<b>(c) Details of shareholders holding more than 5% of the shares in the company.</b>	President of India	499998	99.99%	499998	99.99%

*Notes to the Financial Statement for the year ended March 31, 2018***NOTE 3(B) : RESERVES AND SURPLUS**

(Amounts in ₹)

Particulars	As at 31/03/2018		As at 31/03/2017	
<b>Surplus</b>				
As per last Balance Sheet	1,08,60,73,944		1,02,73,13,056	-
Add: Profit / (Loss) for the year	17,68,19,673		9,19,79,586	
	1,26,28,93,617		1,11,92,92,642	
Less: Proposed Dividend	5,30,50,000		2,76,00,000	
Dividend Distribution Tax on Proposed Dividend	1,07,99,731	1,19,90,43,886	56,18,698	1,08,60,73,944
<b>Net Surplus</b>		<b>1,19,90,43,886</b>		<b>1,08,60,73,944</b>

**NOTE 4 : OTHER LONG TERM LIABILITIES**

Particulars	As at 31/03/2018		As at 31/03/2017	
<b>Balance in Project Funds</b>				
Retting Tank (Govt. of India)	66,92,698		63,96,502	
Bio-Technological Retting Technology	1,17,305		1,17,305	
IJSG	13,97,784		13,83,415	
Development of Ribboner from GOI	1,09,53,410		1,04,64,836	
Jute Technology Mission	18,40,76,772		17,97,98,795	
<b>Total</b>		<b>20,32,37,969</b>		<b>19,81,60,853</b>

**NOTE 5 : LONG TERM PROVISIONS**

Particulars	As at 31/03/2018		As at 31/03/2017	
<b>Provision for Employee Benefit</b>				
Gratuity (Casual Employee)	3,84,92,722		4,54,33,200	
Leave Salary (Regular Employee)	9,01,50,837		10,10,30,275	
<b>Total</b>		<b>12,86,43,559</b>		<b>14,64,63,475</b>

**NOTE 6 : SHORT-TERM BORROWINGS**

Other Long Term Liabilities	As at 31/03/2018		As at 31/03/2017	
Cash Credit from Central Bank of India	36,58,97,664		46,48,275	
		<b>36,58,97,664</b>		<b>46,48,275</b>

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

*Notes to the Financial Statement for the year ended March 31, 2018*

**NOTE 7 : TRADE PAYABLES**

(Amounts in ₹)

Particulars	As at 31/03/2018	As at 31/03/2017
Sundry Creditors	15,23,30,252	11,10,70,010
	<b>15,23,30,252</b>	<b>11,10,70,010</b>

**NOTE 8 : OTHER CURRENT LIABILITIES**

Particulars	As at 31/03/2018	As at 31/03/2017
Earnest Money Deposit	26,43,092	3,20,73,212
Security Deposit	5,80,000	15,00,000
Retention Money	1,43,99,201	-
Provident Fund Payable	59,48,203	81,51,011
Liability for Expenses and Other Payables	26,21,93,737	17,42,70,494
<b>Balance in Project Funds</b>		
Project I-Care	6,43,19,929	-
Pilot Project A/C	47,748	47,748
Project Decorticator Machine	10,88,417	10,88,417
Project Saturation	48,38,462	48,38,462
Common Facilitation Center	32,91,241	44,05,998
Advance From Customers	2,85,91,726	2,31,02,972
Claims Payable	61,39,463	75,32,819
Advance Received for Jute Seeds	-	3,22,000
Advance from JTM	10,27,011	10,29,105
	<b>39,51,08,230</b>	<b>25,83,62,238</b>

**NOTE 9 : SHORT-TERM PROVISIONS**

Particulars	As at 31/03/2018	As at 31/03/2017
<b>Provision for Employee Benefits:</b>		
Bonus	14,65,917	18,46,233
LTC	-	66,69,712
Leave Salary (Regular Employee)	3,65,07,998	4,42,71,051
Gratuity (Casual Employee)	1,61,76,619	1,34,55,216
	<b>5,41,50,534</b>	<b>6,62,42,212</b>
<b>Provision for Income Tax</b>		
Balance as per Last Account	51,03,72,403	47,50,72,403
Addition during the year	10,14,95,536	3,53,00,000
	<b>61,18,67,939</b>	<b>51,03,72,403</b>
Less Advance Tax Paid	(56,02,52,350)	53,34,85,980
Provision for Service Tax	5,16,15,589	(2,31,13,577)
		6,90,178
<b>Other Provisions</b>		
Proposed Dividend	5,30,50,000	2,76,00,000
Tax on Proposed Dividend	1,07,99,731	56,18,698
	<b>16,96,15,854</b>	<b>7,70,37,511</b>

*Notes to the Financial Statement for the year ended March 31, 2018*

### NOTE 10 : PROPERTY, PLANT & EQUIPMENTS

(Amounts in ₹)

Tangible Asset	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31/03/2017	Additions	Deletion/ Adjust- ments	As at 31/03/2018	As at 31/03/2017	For the Year	As at 31/03/2018	As at 31/03/2017
LEASEHOLD PREMISES	2,59,98,440	-	-	2,59,98,440	46,85,024	3,18,553	2,09,94,863	2,13,13,416
FURNITURE & FIXTURE	45,25,476	64,476	-	45,89,952	42,19,296	53,709	3,16,947	3,06,180
OFFICE EQUIPMENT	13,87,875	72,750	-	14,60,625	12,26,465	55,373	1,78,787	1,61,410
DPC EQUIPMENT	9,02,383	1,95,174	-	10,97,557	7,81,915	30,430	2,85,212	1,20,468
COMPUTER	50,53,838	3,28,448	7,608	53,74,678	36,58,524	4,43,140	12,75,598	13,95,314
ELECTRICAL INSTALLATION	4,95,688	-	-	4,95,688	4,29,489	27,402	38,797	66,199
AIR-CONDITIONER	6,00,045	-	-	6,00,045	4,39,206	36,611	1,24,228	1,60,839
CYCLES	1,32,357	-	-	1,32,357	1,32,357	-	-	-
Total(A)	3,90,96,102	6,60,848	7,608	3,97,49,342	1,55,72,276	9,65,218	2,32,14,432	2,35,23,826
Intangible Asset								
COMPUTER SOFTWARE(B)	97,563	1,44,715	-	2,42,278	90,796	11,913	1,39,569	6,767
Current Year(A+B)	3,91,93,665	8,05,563	7,608	3,99,91,620	1,56,63,072	9,77,131	2,33,54,001	2,35,30,593
Previous Year	3,77,72,186	14,21,479	-	3,91,93,665	1,48,56,836	8,06,236	2,35,30,593	

**Note:** Mobile Phone Purchased during the year for NIL (Previous Year Rs. 7,17,900) 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, 2018*

**NOTE 11 : LONG TERM LOANS AND ADVANCES**

(Amounts in ₹)

Particulars	As at 31/03/2018	As at 31/03/2017
Security Deposits	5,45,313	5,40,242
	<u>5,45,313</u>	<u>5,40,242</u>

**NOTE 12 : INVENTORY**

Particulars	As at 31/03/2018	As at 31/03/2017
Raw Jute - Price support	104,25,27,694	29,97,49,370
Raw Jute - Commercial	34,71,94,645	64,71,72,442
Jute Seed	87,53,471	-
Sonali	4,10,985	5,10,678
	<u>139,88,86,795</u>	<u>94,74,32,490</u>

**NOTE 13 : TRADE RECEIVABLES**

Particulars	As at 31/03/2018	As at 31/03/2017
(Unsecured, considered good)		
Outstanding for more than Six Month	8,38,975	10,99,048
Others	<u>46,81,66,514</u>	<u>47,83,486</u>
	46,90,05,489	58,82,534
(Unsecured, considered doubtful)		
Provision for Doubtful Debt	<u>6,65,668</u>	<u>6,65,668</u>
	<u>(6,65,668)</u>	<u>(6,65,668)</u>
	<u>46,90,05,489</u>	<u>58,82,534</u>

**NOTE 14 : CASH AND CASH EQUIVALENTS**

Particulars	As at 31/03/2018	As at 31/03/2017
Cash & Cash Equivalents		
Balances with Banks:		
In Current Accounts	5,30,05,298	7,32,91,231
In Saving Accounts	3,94,17,033	5,40,31,969
In Term Deposit Accounts	66,21,12,212	75,09,25,508
Cash in Hand	15,31,495	10,83,279
	<u>75,60,66,038</u>	<u>87,93,31,987</u>



*Notes to the Financial Statement for the year ended March 31, 2018***NOTE 15 : SHORT TERM LOANS AND ADVANCES**

(Amounts in ₹)

Particulars	As at 31/03/2018	As at 31/03/2017
<b>Advances Recoverable in cash or in kind or for value to be received</b>		
Advance to Staff	5,11,350	8,13,832
Advance to Other Parties		
Unsecured and Considered Good	1,17,91,628	3,04,53,033
Unsecured and Considered Doubtful	8,46,522	8,46,522
Less: Provision Held	(8,46,522)	(8,46,522)
Prepaid Expenses	15,40,667	17,08,859
<b>Advance to Revenue Authorities</b>		
Advance Sales Tax & Vat	3,15,31,231	3,29,05,275
Less: Provision	(3,12,96,831)	3,13,48,556
<b>Advance for Projects</b>		
Project I-CARE	-	2,07,32,499
Bhuban Jump Project	57,947	42,498
	<b>1,41,35,992</b>	<b>5,53,07,440</b>

**NOTE 16 : OTHER CURRENT ASSETS**

Particulars	As at 31/03/2018	As at 31/03/2017
Interest accrued but not due	18,83,786	1,97,91,020
	<b>18,83,786</b>	<b>1,97,91,020</b>

**NOTE 17 : REVENUE FROM OPERATIONS**

Particulars	As at 31/03/2018	As at 31/03/2017
Sales - Price Support	172,73,08,475	44,10,769
Sales - Commercial	2,11,21,113	50,54,86,391
Sales- Sonali	17,01,475	18,23,264
Sales - Jute Seeds	5,80,79,183	12,14,17,011
Less : claim paid	(78,03,099)	(1,19,998)
<b>Total</b>	<b>180,04,07,147</b>	<b>63,30,17,437</b>

*Notes to the Financial Statement for the year ended March 31, 2018*

**NOTE 18 : OTHER INCOME**

(Amounts in ₹)

Particulars	As at 31/03/2018	As at 31/03/2017
Interest Income	3,10,15,301	7,27,69,317
Subsidy from GOI. (MSP)	46,78,00,000	49,38,00,000
Carrying Cost (Price Support)	1,65,82,190	11,58,754
Liability no Longer Required Written back	1,37,02,524	2,43,84,483
Misc. Income	4,87,404	27,39,855
Prior Period Adjustment (Refer Note - 18.1)	(6,46,192)	58,10,139
<b>Total</b>	<b>52,89,41,227</b>	<b>60,06,62,548</b>

**NOTE 18.1 : PRIOR PERIOD ADJUSTMENTS**

Particulars	As at 31/03/2018	As at 31/03/2017
Travelling & Conveyance	(16,807)	-
Car Expenses	(50,070)	-
Miscellaneous Expenses	(36,065)	-
Legal Expenses	(5,43,250)	-
Reimbursement from Projects	-	59,60,024
Professional Fees	-	(42,000)
Wages	-	(1,07,885)
<b>Net Debit(-)/Credit</b>	<b>(6,46,192)</b>	<b>58,10,139</b>

**NOTE 19 : COST OF TRADING GOODS & DIRECT EXPENCES**

Particulars	As at 31/03/2018	As at 31/03/2017
<b>PURCHASE</b>		
Raw Jute - Price Support	172,15,89,400	28,79,40,308
Raw Jute - Commercial	21,48,294	1,03,99,35,028
Jute Products - Sonali	13,39,836	21,84,887
Jute Seeds	5,96,09,695	11,60,28,208
<b>Sub-Total (a)</b>	<b>178,46,87,225</b>	<b>144,60,88,431</b>
<b>DIRECT EXPENSES</b>		
Operational Expenses	6,73,33,464	3,27,45,331
Taxes & Levy	1,85,21,759	70,12,648
Service Charges	-	950
<b>Sub-total (b)</b>	<b>8,58,55,223</b>	<b>3,97,58,929</b>
<b>Total</b>	<b>187,05,42,448</b>	<b>148,58,47,360</b>

*Notes to the Financial Statement for the year ended March 31, 2018***NOTE 20 : CHANGES IN INVENTORIES OF TRADING GOODS**

(Amounts in ₹)

Particulars	As at 31/03/2018	As at 31/03/2017
<b>Opening Stock</b>	-	-
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	-
<b>Total</b>	<b>94,74,32,490</b>	<b>1,79,88,948</b>
<b>Closing Stock</b>	-	-
Raw Jute - Price Support	1,04,25,27,694	29,97,49,370
Raw Jute - Commercial	34,71,94,645	64,71,72,442
Jute Seed	87,53,471	-
Sonali Stock	4,10,985	5,10,678
<b>Total</b>	<b>1,39,88,86,795</b>	<b>94,74,32,490</b>
<b>Net (Increase) / Decrease</b>	<b>(45,14,54,305)</b>	<b>(92,94,43,542)</b>

**NOTE 21 : EMPLOYEE BENEFITS EXPENSES**

Particulars	As at 31/03/2018	As at 31/03/2017
Salaries & Allowances	32,62,62,756	25,57,37,544
Wages	5,26,09,327	10,59,11,668
Directors Remuneration	47,55,003	39,80,312
Bonus	17,02,527	57,14,312
Rent Residential	6,60,000	5,95,000
Corporation's Contribution to Pension Fund	78,93,980	96,68,310
Corporation's Contribution to Gratuity Fund	76,45,758	1,36,33,437
Compensation To Retired Casuals	5,21,000	-
Corporation's Contribution to Provident Fund	3,23,85,295	2,93,24,331
Staff Welfare Expenses	72,86,924	60,09,445
Leave Encashment Benefit on Retirement	3,97,19,077	2,19,83,738
Medical Expenses Re-imbursement	1,74,69,099	1,47,23,544
Administrative Charges of CPF	4,85,945	9,29,510
Leave Travel Expenses	-	56,741
<b>Total</b>	<b>49,93,96,691</b>	<b>46,82,67,892</b>

**NOTE 22 : FINANCE COST**

Particulars	As at 31/03/2018	As at 31/03/2017
Interest on Cash Credit	1,49,01,110	48,029
<b>Total</b>	<b>1,49,01,110</b>	<b>48,029</b>

*Notes to the Financial Statement for the year ended March 31, 2018***NOTE 23 : OTHER EXPENSES**

(Amounts in ₹)

Particulars	As at 31/03/2018	As at 31/03/2017
Printing & Stationery	12,46,933	10,32,888
Electricity Charges	21,10,676	19,15,433
Rent	14,57,450	17,86,127
Godown Rent & Storage	1,65,50,571	1,16,88,349
Repairs & Renewals	74,38,847	6,31,913
Office Maintenance Expenses	3,47,971	4,79,201
Rates and Taxes	2,28,321	94,329
Insurance	20,70,054	9,10,054
Travelling and Conveyance	60,40,237	49,11,624
Legal & Professional Fees	31,46,277	24,16,033
Freight	5,28,27,920	1,86,30,650
Service Tax	6,09,005	13,73,560
Statutory Audit Fees	2,71,400	2,47,800
Other Audit Fees	1,41,600	56,970
Telephone Charges	13,06,987	13,02,358
Postage & Telegram	1,27,471	51,339
Books & Periodicals	1,83,126	1,91,660
Entertainment	3,13,325	3,45,081
Conference and Meeting Expenses	7,91,681	7,87,283
Corporate Social Responsibility Expenses	26,94,542	34,14,795
Advertisement & Publicity	21,26,008	11,38,579
Car Expenses	57,03,923	44,84,791
Bad and Doubtful Debts Written Off	40,730	3,17,082
Provision for Doubtful Debts	-	15,12,190
Bank Charges	2,04,360	3,42,327
Fair & Exhibition	17,53,876	-
<b>Total</b>	<b>10,97,33,291</b>	<b>6,00,62,416</b>

**NOTE 24 : MISCELLANEOUS EXPENSES**

Particulars	As at 31/03/2018	As at 31/03/2017
Honorarium and Other Fees	3,99,500	36,53,649
RO Expenses & HO Expenses	1,02,41,335	1,29,00,903
Others	-	26,36,802
<b>Total</b>	<b>1,06,40,835</b>	<b>1,91,91,354</b>

**NOTE 25 : DEPRECIATION & AMORTISATION EXPENSE**

Particulars	As at 31/03/2018	As at 31/03/2017
Depreciation	9,77,131	8,06,236
<b>Total</b>	<b>9,77,131</b>	<b>8,06,236</b>

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 26. Disclosure with respect to, Retirement Benefit to Employees

#### i. Gratuity (Regular)

During the year, the corporation has accounted for its gratuity liability ₹4,05,125/- (previous year ₹4,00,000/-) for regular employees as per demand raised by LICI

#### ii. Gratuity (Casual)

During the year, the corporation has provided for its gratuity liability of ₹5,46, 69,341/-(previous year ₹5,88,88,416) for casual employees based on actuarial valuation. Basis of actuarial assumptions are as follows.

##### Basis of valuation:

	31.03.2018	31.03.2017
Discount Rate Per Annum (Compounded)	6.60%	8.00%
Rate of Increase in salaries	10.00%	10.00%
Expected Average remaining Working	3.10yr.	3.46yr.

#### iii. Leave Encashment Benefit

During the year corporation has provided for its Leave encashment liability ₹12,66,58,835/- (previous year ₹14,53,01,326/-) for regular employees based on actuarial valuation.

#### iv. Wages

Wages paid to casual employees of ₹5,25,15,803/- includes provision of ₹Nil (P.Y- ₹6,52,69,555) made for arrear salary for the period from 01.01.2006 to 31.03.2017 in terms of order no.-490 11/31/2008-Estt (c) dated 23.01.2012 of Ministry.

### 27. Contingent Liabilities

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

SL.No.	31.03.2018 (₹)	31.03.2017 (₹)
1. Claims against the Corporation not acknowledged as Debts	16,86,05,378	17,86,05,378
2. Other money for which the Corporation is contingently Liable.	14,00,48,257	22,68,91,941

Other money for which the Corporation is contingently liable shows income tax demand disputed by the company aggregating to ₹1400.80 lakhs (P.Y- 2268.91 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.

**28. CSR Expenses:**

The Company has incurred ₹26,94,542/- (F.Y 2016-17- ₹34,14,795/-) 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-2017-18 - ₹16, 05,548 /-

CSR Expenses for FY-2016-17 - ₹10, 88,994 /-

(Incurred in FY 2017-18)

For FY 2017-18, out of total CSR Budget of ₹31.51 Lakh (F.Y 2016-17- ₹33.90 Lakh) unspent amount of ₹15.45 Lakh (F.Y 2016-17, ₹6.00 Lakh) is planned to be spent in FY 2018-19.

29. **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 through online payment on instant basis, no separate disclosures have been made in the accounts.

**30. Disclosure in respect of projects:**

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

GRANT NAME	(Upto 31st March, 2018)			
	Amount Received	Interest Earned	Disbursement	Balance Outstanding
(a) Jute quality Improvement (Retting Technology)	40,00,000 (40,00,000)	48,60,441 (44,07,487)	21,67,743 (20,10,985)	66,92,698 (63,96,502)
(b) Development of Manual/Power Driven Ribboner Machine	34,00,000 (34,00,000)	82,59,718 (75,12,571)	7,06,308 (4,47,735)	1,09,53,410 (1,04,64,836)
(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)	14,79,78,431 (13,84,97,672)	56,44,01,659 (55,91,98,877)	18,40,76,772 (17,97,98,795)

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

**31. Stale Cheques:**

₹728,482/- (PY: ₹8, 53,232/-) is being kept under heads of stale cheque due to pending dispute with the beneficiaries.

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

	31.03.2018 (₹)	31.03.2017 (₹)
a. Salaries	49,35,003	39,80,312
b. Leave Encashment	Nil	8,52,397
c. Contribution to Provident Fund, Pension & Gratuity	5,00,199	3,87,029
d. Rent Residential	6,60,000	5,95,000
e. Others	6,23,214	7,89,327
f. Club Expenses & Misc.	68,539	-
	<b>67,86,955</b>	<b>66,04,065</b>

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

	31.03.2018 (₹)	31.03.2017 (₹)
(Loss) /Profit for the year	17,68,19,673	9,19,79,586
Weighted Average of No. of equity share	5,00,000	5,00,000
Earnings Per Share (Basic and Diluted)	354	184

**34. 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.

**35. 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.



36. 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	1. Dr. K.V.R. Murthy, Chairman and Managing Director 2. CA. P. Dasgupta, Director Finance 3. Avik Saha, Company Secretary

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

Nature of Transaction	Relationship	Amount in ₹	
		2017-18	2016-17
<b>1. Remuneration (Incl. house rent)</b>			
Dr. K.V.R. Murthy	C.M.D	27,19,672	23,99,404
CA.P. Dasgupta	D(F)	27,15,530	27,61,406
Avik Saha	C.S	8,52,874	5,91,546

### 37. Information in respect of goods traded

PARTICULARS	2017-2018			2016-2017		
	Bales	Qntls.	Amount (in ₹)	Bales	Qntls.	Amount (in ₹)
(a) Purchase						
Raw Jute	315260		172,37,37,694	224585		132,78,75,336
Jute Seeds		7557.01	5,96,09,695		4952.24	11,60,28,208
Diversified jute products			13,39,836			21,84,887
	315260	7557.01	<b>178,46,87,225</b>	224585	4952.24	<b>144,60,88,431</b>
(b) Sales						
Raw Jute	248562		174,84,29,588	70909		509,777,162
Jute Seeds		6447.29	58,079,183		4952.24	12,14,17,011
Diversified jute products			17,01,475			18,23,264
	248562	6447.29	<b>180,82,10,246</b>	70909	4952.24	<b>63,30,17,637</b>
(c) Opening Stock						
Raw Jute	157433		94,69,21,812	2157		1,79,88,948
Jute Seeds		NIL			NIL	NIL
Diversified jute products			5,10,678			
	157433	NIL	94,74,32,490	2157	NIL	1,79,88,948
(d) Closing Stock						
Raw Jute	224131		138,97,22,339	157433		946,921,812
Jute Seeds		1109.72	87,53,471		NIL	
Diversified jute products			4,10,985			5,10,678
	224131	1109.72	139,88,86,795	157433	NIL	94,74,32,490
(e) Claims Received						
Raw Jute	0			0		
(f) (Loss)/Gain in weight of raw jute	4673	0		1600	0	



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

38. Advance to other parties includes an amount of ₹55,19,387/- receivable from parties to whom excess/erroneous payment was made during the year due to software error. An amount of ₹23, 80,816/- has since been realized and outstanding as on 30.06.2018 is ₹31,38,571/-.
39. In accordance with order of 7<sup>th</sup> CPC and 3<sup>rd</sup> PRC pay scale of CDA employees is to be revised w.e.f 01.01.2016 and IDA employees w.e.f 01.01.2017. Proposal for same were placed before the 66<sup>th</sup> meeting of the Audit Committee and 247<sup>th</sup> meeting of Board of Directors, held on 06.06.2018 and duly concurred and approved at the respective meetings. Total arrear salary due to subject revision is estimated to be ₹11.32 Crore and resultant other benefits like EPF and Leave encashment to the tune of ₹3.28 Crore which had duly been provided for in accounts.
40. Figures for the previous year have been regrouped and rearranged wherever necessary. Figures in brackets represent 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

**(Mukesh Kumar Patawari)**

Partner

(M.N. 056623)

Place: Kolkata

Date: 05.07.2018

For and on behalf of the Board

**(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**

	<b>2017-2018</b>		<b>2016-2017</b>	
	<b>Bales</b>	<b>₹</b>	<b>Bales</b>	<b>₹</b>
<b>INCOME</b>				
Sales	2,45,612	1,71,95,99,793	897	44,09,731
Carrying Cost		1,65,82,190		11,58,754
Transfer from Internal Raw Jute		-	94	5,10,110
Subsidy from the Government (Previous year)		-		-
Interest Income		3,09,45,531		7,26,51,706
Other Income		1,41,89,928		2,71,24,339
Subsidy from the Government		46,78,00,000		49,38,00,000
Subsidy from the Government (Farmers Training & Others)		-		
Prior Period adjustment				58,10,139
Net Adj. Dr./Cr. Balances written off/back				-
Loss in Packed Weight				
Closing Stock	1,61,061	1,04,25,27,694	55,236	29,97,49,370
Net Loss			0	
	<b>4,06,673</b>	<b>329,16,45,136</b>	<b>56,227</b>	<b>90,52,14,149</b>
<b>EXPENDITURE</b>				
Opening Stock	55,236	29,97,49,370	424	18,18,400
Purchases	3,10,587	172,15,89,400	55,580	28,79,40,308
Transfer from Internal Raw Jute-Commercial	36,177	22,95,06,888		
Tax and Levy		1,37,72,359		60,662
Freight		5,21,37,166		2,34,475
Operational Expenses		6,72,82,644		80,74,894
Payment to and Provision for Employees		49,93,96,691		46,82,67,892
Other Administrative Expenses		4,73,84,335		4,60,49,669
Interest and other financial charges		1,49,01,110		48,029
Godown Rent and Storage		1,18,93,275		1,16,88,349
Insurance		15,52,892		2,06,927
Depreciation		9,77,131		8,06,236
Service Tax & GST		6,09,005		13,73,560
Service Charges		-		950
Prior Period adjustment		6,46,192		-
Rate & Taxes		2,28,321		94,329
Gain in Packed Weight	4,673		223	
Provision for Income Tax		9,53,31,704		224,56,638
Net Profit		23,46,86,653		5,60,92,831
	<b>4,06,673</b>	<b>329,16,45,136</b>	<b>56,227</b>	<b>90,52,14,149</b>

**INTERNAL RAW JUTE - COMMERCIAL**

	<b>2017-2018</b>		<b>2016-2017</b>	
	<b>Bales</b>	<b>₹</b>	<b>Bales</b>	<b>₹</b>
<b>INCOME</b>				
Sales	2,950	2,10,26,696	70,012	50,53,67,431
Carrying cost		-		-
Claims Received - Stock		-		-
Transfer to Internal Raw Jute Price Support	36,177	22,95,06,888		
Interest Received				
Service Charges				
Loss in Packed weight				
Closing Stock	63,070	34,71,94,645	1,02,197	64,71,72,442
Net Loss		6,21,42,575		-
	<b>1,02,197</b>	<b>65,98,70,804</b>	<b>1,72,209</b>	<b>1,15,25,39,873</b>
<b>EXPENDITURE</b>				
Opening Stock	1,02,197	64,71,72,442	1,733	1,61,70,548
Purchase	-	21,48,294	1,69,005	1,03,99,35,028
Transfer from Internal Raw Jute Price Support			94	5,10,110
Tax and Levy		47,49,400		69,51,986
Freight		6,26,210		1,83,01,062
Operational Expenses		-		2,45,53,752
Interest				
Godown Rent and Storage		46,57,296		
Insurance		5,17,162		7,01,745
Gain in Packed weight			1,377	
Provision for Income Tax				1,29,83,953
Net Profit	-		-	3,24,31,689
	<b>1,02,197</b>	<b>65,98,70,804</b>	<b>1,72,209</b>	<b>1,15,25,39,873</b>

**JUTE SEED**

	2017-2018		2016-2017	
	Qtls.	₹	Qtls.	₹
<b>INCOME</b>				
Sales	6,447.29	5,80,79,183	4,952.24	12,14,17,011
Subsidy from NJB				
Service Charge				
Closing Stock	1,109.72	87,53,471		
Damage				
Net Loss				
	<b>7,557.01</b>	<b>6,68,32,654</b>	<b>4,952.24</b>	<b>12,14,17,011</b>
<b>EXPENDITURE</b>				
Opening Stock	-		-	
Purchase	7,557.01	5,96,09,695	4,952.24	11,60,28,208
Freight		64,544		95,113
Stock Revalidation Chg				
Insurance				
Overhead Expenses				
Handling of Jute Seeds		50,820		1,16,685
Provision for Income Tax		24,59,796		14,80,063
Net Profit		46,47,799		36,96,942
	<b>7,557.01</b>	<b>6,68,32,654</b>	<b>4,952.24</b>	<b>12,14,17,011</b>

**DIVERSIFIED JUTE PRODUCTS (SONALI)**

<b>INCOME</b>		
Sales	17,01,475	18,23,264
Misc. Receipts	0	0
Interest	69,770	1,17,611
Closing Stock	4,10,985	5,10,678
Net Loss	3,72,203	2,41,875
	<b>25,54,433</b>	<b>26,93,428</b>
<b>EXPENDITURE</b>		
Purchases	13,39,836	21,84,887
Opening Stock	5,10,678	
Insurance	0	1,382
Office Maintenance	0	1,04,868
Other Expenses	5,25,397	3,40,359
Bank Chrges	6,758	8,838
Printing & Stationery	12,543	19,295
Telephone Chrges	10,662	31,439
Travelling & Conveyance	39,890	2,360
Repair and Maintanance	1,08,669	
Net Profit	<b>25,54,433</b>	<b>26,93,428</b>