

Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**TO THE BOARD OF DIRECTORS OF
The India Jute and Industries limited**

1. We have audited the annual standalone financial results of **THE INDIA JUTE AND INDUSTRIES** ("the Company"), for the quarter and year ended March 31, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations'). These standalone financial results for the quarter and year ended March 31, 2019 have been prepared on the basis of the standalone financial results for the nine months period ended December 31, 2018 and the audited annual standalone financial statements as at and for the year ended March 31, 2019, which are the responsibility of the company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our audit of the annual standalone financial statements as at and for the year ended March 31, 2019 prepared in accordance with Indian Accounting Standards (Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and review of the standalone financial results for the nine months period ended December 31, 2018, which was prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 for Interim Financial Reporting, prescribed under Section 133 of the Act.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



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3. Attention is drawn to the following notes of the accompanying results:

- a. The Company has suffered substantial losses in earlier years leading to erosion of its net worth as on 31st March 2019. For the reasons mentioned in Note no 3 of the results, the accounts of the Company have been prepared on going concern basis. However, the ability of the Company to continue as a going concern is dependent upon the future profitability and viability of operations which presently cannot be commented upon.
- b. Note no. 4 regarding classification of Loans under current and non -current as required under Schedule III of the Companies Act, 2013.
- c. Note no 5 regarding non-ascertainment and extent of dues payable with regard to loan/interest/penal interest, liquidated damages etc. payable to financial institution/assignee/other parties in accordance with Indian Accounting Standard- 37 on "Provisions, Contingent Liabilities and Contingent Assets", the impact of which is presently not ascertainable;
- d. Note no. 5 regarding non-provision of liquidated damages aggregating to Rs.1,09,063.93 thousand (including Rs. 6,190.98 thousand for the period) on excise duty loan and penal interest etc. amounting to Rs. 3164.98 thousand (including Rs.162.76 thousand for the period) on sales tax loan from West Bengal Industrial Development Corporation of India to the extent ascertained in accordance with Indian Accounting Standard- 37 on "Provisions, Contingent Liabilities and Contingent Assets";
- e. Note no 6 regarding shortfall in the book value of security as compared to the amount of secured loan;
- f. Note no. 7 regarding creation of Security in respect of Deferred payment liabilities and charge in respect of Assignee's of Modernization and Rehabilitation Term Loans is yet to be created/modified;
- g. Note no 9 regarding non-provision of interest on unsecured loan aggregating to Rs.30627.52 thousand (including Rs. 810 thousand for the period) in accordance with Indian Accounting Standard- 37 on "Provisions, Contingent Liabilities and Contingent Assets
- h. Note no. 10 regarding non-ascertainment of dues to Micro, Small and Medium Enterprises as required under the "Micro, Small and Medium Enterprise Development Act, 2006";
- i. Note no. 11 regarding non-provision of actuarially ascertained liability (to the extent identified and ascertained) for gratuity aggregating to Rs.1,94,63.29(including Rs Nil for the period) in accordance with Indian Accounting Standard-19 on "Employee Benefits". Further the valuation of Gratuity from year ending 31st March 2012 & non-valuation of Liability for compensated absences on the actuarial valuation in accordance with the Indian Accounting Standard-19, the impact of which is presently not ascertainable;
- j. Note no 12 regarding non-provision for dues, interest, penalty and other liability for delay / default in payment of statutory / other liabilities/gratuity/listing fees etc.;
- k. Note no 13 regarding non-ascertainment and non-provision for impairment of assets in accordance with Indian Accounting Standard- 36 on "Impairment of Assets.
- l. Note no 14 with regard to non-ascertainment of status and recoverability of fixed deposit for Rs 1320.593 thousand pledged with State Bank of India;

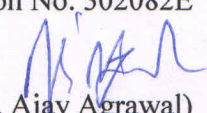


- m. Note no15 regarding non-ascertainment of recoverability and non-provision for shortfall in the value of inventories in accordance with Indian Accounting Standard-2 on "Valuation of Inventories" the extent of which cannot be commented upon by us;
 - n. Note no 16 regarding confirmation of certain balances and consequential reconciliation and adjustments arising regarding eventual shortfall in values and their impact in respect of Security Deposits, Fixed Deposits, Inventories, Trade Receivables and Loans and Advances which is currently not ascertainable;
4. Based on our review conducted as above, we report that, excepting the possible effect of the matters stated in Para 3 above nothing has come to our attention that causes us to believe that the accompanying statement of the Statement prepared in accordance with applicable Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies generally accepted in India, has not disclosed the required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Kolkata
Date: 16th August, 2019



For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. 302082E


(CA. Ajay Agrawal)
Partner

Membership No. 017643
UDIN: 19017643AAABX5739

THE INDIA JUTE AND INDUSTRIES LIMITED CIN: L17119WB1916PLC002720 Registered Office: 4A, Shree Ganesh Business Centre, 216, Acharya J.C. Bose Road, Kolkata - 700 017 Tel No.: +91 033 2287 1640 E-mail: indiajuteind@gmail.com, Website: www.indiajute.in					
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2019					
Rupees in Thousands					
Particulars	3 months ended 31/03/2019	Preceding 3 months ended 31/12/2018	Corresponding 3 months ended in the previous year 31/03/2018	Year to date figures for current period ended 31/03/2019	Year to date figures for previous period ended 31/03/2018
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I Revenue from Operations	1,05,056.27	1,27,244.15	1,01,128.62	4,11,918.90	1,43,010.29
II Other Income	954.10	(839.28)	406.84	1,252.83	1,558.75
III Total Income (I+II)	1,06,010.37	1,26,404.87	1,01,535.46	4,13,171.73	1,44,569.04
IV Expenses:					
Cost of materials consumed	84,338.39	90,512.64	51,268.35	2,85,720.54	54,717.85
Purchase of stock-in-trade	-	-	-	614.40	-
Changes in inventories of finished goods, work in progress and Waste	(10,145.93)	(2,812.13)	(8,740.91)	(38,343.51)	(5,353.42)
Employee benefits expense	23,262.22	25,260.15	10,251.28	74,422.87	36,350.56
Finance costs	770.89	2,702.17	1,201.57	8,271.97	4,953.97
Depreciation	806.22	734.85	662.73	2,917.27	2,650.95
Other expenses	21,215.00	21,755.68	38,387.43	1,00,287.17	51,437.09
Total expenses (IV)	1,20,246.79	1,38,153.36	93,030.45	4,33,890.71	1,44,757.00
V Profit/(loss) from before tax (III-IV)	(14,236.42)	(11,748.49)	8,505.01	(20,718.98)	(187.96)
VI Tax expense					
Current taxes	0.00	0.00	0.00	0.00	0.00
Deferred taxes	0.00	0.00	0.00	0.00	0.00
VII Net Profit/(loss) for the period (V-VI)	(14,236.42)	(11,748.49)	8,505.01	(20,718.98)	(187.96)
VIII Other Comprehensive Income	-	-	-	-	-
IX Total Comprehensive Income for the Period (VII+VIII)	(14,236.42)	(11,748.49)	8,505.01	(20,718.98)	(187.96)
X Paid-up equity share capital (Face value - Rs. 10/-)	2,580	2,580	2,580	2,580	2,580
XI Reserves excluding Revaluation reserve				(1,64,359.10)	(1,43,640.13)
XII Earnings Per Share (EPS) of Rs. 10 each					
Basic (Rs.)	(5.52)	(4.55)	3.30	(8.03)	(0.07)
Diluted (Rs.)	(5.52)	(4.55)	3.30	(8.03)	(0.07)

Statement of Assets and Liabilities			Rupees in Thousands
Particulars	As at 31/03/2019	As at 31/03/2018	
1 ASSETS			
(1) Non-current assets			
(a) Property Plant and Equipment	44,310.56	44,490.53	
(b) Financial Assets			
(i) Investments	6.80	6.80	
(ii) Other Financial Assets	6,240.33	6,141.04	
	50,557.69	50,638.37	
(2) Current assets			
(a) Inventories	84,046.23	34,712.10	
(b) Financial assets			
(i) Trade receivables	9,808.07	4,869.03	
(ii) Cash and cash equivalents	7,381.94	4,896.94	
(iii) Other financial Assets	12.34	8.98	
(c) Current Tax Assets	1,464.78	1,567.97	
(d) Other Current Assets	16,626.98	15,000.21	
	1,19,340.34	61,055.23	
Total Assets	1,69,898.03	1,11,693.60	
A EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	25,800.00	25,800.00	
(b) Other Equity	(1,37,019.47)	(1,16,300.49)	
	(1,11,219.47)	(90,500.49)	
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	77,599.15	78,499.15	
(ii) Trade Payables	1,646.79	1,646.79	
	79,245.94	80,145.94	
(3) Current Liabilities			
(a) Financial borrowings			
(i) borrowings	74,930.00	31,280.00	
(ii) Trade payables	68,060.71	34,115.35	
(iii) Other financial liabilities	13,572.79	10,744.49	
(b) Other current liabilities	20,501.19	22,061.46	
(c) provisions	24,806.87	23,846.85	
	2,01,871.56	1,22,048.15	
Total Equity and Liabilities	1,69,898.03	1,11,693.60	



Segment Wise Revenue, Results, Assets and Liabilities are as follows:						Rupees in Thousands
Sl. No.	Particulars	Quarter Ended			Year Ended	
		31-03-2019	31-12-2018	31-03-2018	31-03-2019	31-03-2018
A.	Segment Revenue					
	Textile	81,005.92	93,486.41	85,936.11	3,36,526.71	98,016.45
	Fine Yarn	24,050.35	33,757.74	15,192.51	75,392.18	44,993.84
	Carpet	-	-	-	-	-
	Net Revenue from Operations and interdivisional transfers	1,05,056.27	1,27,244.15	1,01,128.62	4,11,918.89	1,43,010.29
	Less: Inter Segment transfers	-	-	-	-	-
	Net Revenue from Operations	1,05,056.27	1,27,244.15	1,01,128.62	4,11,918.89	1,43,010.29
B.	Segment Results					
	Textile	(8,948.22)	(7,851.99)	6,159.27	(7,506.94)	(378.28)
	Fine Yarn	(4,561.36)	(1,238.21)	3,511.87	(5,128.91)	5,073.25
	Carpet	(13.31)	(13.32)	(13.32)	(53.27)	(53.27)
	Sub-Total	(13,522.89)	(9,103.52)	9,657.82	(12,689.12)	4,641.70
	Less: Inter Segment transfers	-	-	-	-	-
	Interest Expense	(770.89)	(2,702.17)	(1,201.55)	(8,271.97)	(4,953.97)
	Interest Income	57.36	57.21	48.77	242.10	124.31
	Profit before Tax	(14,236.42)	(11,748.49)	8,505.04	(20,718.98)	(187.96)
C.	Segment Assets					
	Textile	1,01,285.91	1,26,984.10	74,043.70	1,01,285.91	74,043.70
	Fine Yarn	48,423.62	56,149.35	19,831.92	48,423.62	19,831.92
	Carpet	7,048.63	7,061.92	7,101.90	7,048.63	7,101.90
	Unallocated/Corporate Assets	13,139.87	10,648.61	10,716.10	13,139.87	10,716.10
	Total Segment Assets	1,69,898.03	2,00,843.98	1,11,693.62	1,69,898.03	1,11,693.62
D.	Segment Liabilities					
	Textile	65,454.87	92,585.01	67,955.42	65,454.87	67,955.42
	Fine Yarn	48,077.93	51,925.46	12,232.26	48,077.93	12,232.26
	Carpet	1,482.75	1,482.75	1,482.75	1,482.75	1,482.75
	Unallocated/Corporate Liabilities	1,66,101.95	1,51,805.42	1,20,523.65	1,66,101.95	1,20,523.65
	Total Segment Liabilities	2,81,117.50	2,97,798.64	2,02,194.08	2,81,117.50	2,02,194.08

Notes-

- The Company is in the process of complying with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('the regulation') and accordingly in connection therewith, the company is required to submit the Quarterly, Year to Date and Annual Financial Results for the period beginning from Quarter ended June 30, 2015 ('the results') subject to limited review by the Statutory Auditor's of the company. The company has since prepared the aforesaid results for the said period and placed the same before the Board of Directors of the company in their meeting held on 13th February 2019 for approval thereof.
- The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) and SEBI Circular dated 5th July, 2016. The Company has adopted Ind AS from 1st April, 2017, with a transition date of 1st April, 2016.
- The operating results have adversely affected due to adverse market conditions and accumulated losses of the company as at 31st March 2019 stands at 2,53,321.85 thousands thousands as against the share capital of Rs. 25,800 thousands. Also current liabilities as at 31st March 2019 exceeds current assets by Rs. 84,179.86 thousands. The company had already made reference to The Board for Industrial and Financial Reconstruction (BIFR) under section 15 of the Sick Industrial (Special Provisions) Act, 1985 which declared the Company Sick Industrial Company vide its order dated 20th December 1999. BIFR appointed IFCI Ltd as an operating Agency (OA). BIFR vide its orders in several meeting directing OA to submit fully tied up Draft Rehabilitation Scheme (DRS) for consideration of BIFR. OA vide their letter dated 16th May, 2014 forwarded the DRS to the Hon'ble BIFR. The Hon'ble BIFR in its meeting held on 22nd May, 2014 has directed the BIFR's Board office to re-examine the DRS submitted by IFCI (OA) for early circulation, if found viable. However, the said Act has been repealed on and from 1st December, 2016 on notification of Sick Industrial Companies (Special Provision) Repeal Act, 2003 by the Central Government as published in the official gazette dated 28th November, 2016. The company has not yet made reference under the new law. The Company has positive EBITDA both in the current and the previous financial years and the Management is in the process of rationalizing the expenses as well as considering the measures to generate revenue. Further, with the improvement in the industrial scenario, the company is able to utilise its production capacities and it is expected that the overall financial health of the Company would improve considerably. Accordingly, the Company continues to prepare its accounts on a "Going Concern" basis.
- As referred to in above note, the company was a sick company and the repayment schedule of the loans was dependent on the sanction of the revival scheme by Honourable BIFR, however subsequent to the repeal of the Sick Industrial (Special Provisions) Act, 1985, the company has not made reference under the new law. Pending ascertainment of details of terms of repayment etc, the loans have been treated as long term borrowings and the repayment schedule for current and non current is presently not ascertainable and accordingly, current maturities/non-current portion of long term loans could not be worked out and disclosed as required by Schedule III of the Companies Act, 2013.
- Due to continued adverse workings, the Company could not repay the principal amounts due for repayment and interest on secured loans to the Financial Institutions / Assignees / Other Parties. Interest, penal interest, liquidated damages, payable due to such default as per the agreements have been decided to be accounted for as and when paid / settled with the lenders / assignee. Accordingly, liquidated damages estimated by the management based on the available information amounting to Rs. 1,09,063.93 thousands (including Rs. 6,190.98 thousands for the year) on Excise Duty Loan from the Government of India and penal interest, etc. amounting to Rs. 3,164.98 thousands (including Rs. 162.76 thousands for the year) on Sales tax loan from West Bengal Development Corporation of India has not been provided. The interest, penal interests, liquidated damages etc. payable to the Financial Institutions / Assignees / Other Parties, the amount of which presently not ascertainable, have also not been provided for in these financial statements since 01st April, 2002.
- As compared to the amount of secured loan and the value of Security there is a shortfall in the book value of security. Therefore, to the extent there is a shortfall in the value of security the amount of secured loan is not secured.
- The Company is yet to enter into fresh agreement with the lender/ assignee. In absence of the same, the Loan taken from financial institution has been continued to be considered as default to financial institution in terms of Schedule III of the Companies Act, 2013. Based on the same, the Company has defaulted in the repayment of principal amount of loans. Further the company has defaulted in repayment of interest due on loan from financial institutions/others.
- Though the loans have been assigned by original lender to others, the charge in respect of assignees except in respect of Karjan Vyapaar Private Limited and United Credit Limited is yet to be modified. Steps are being taken to modify the same in favour of assignees.



- 9 Interest accrued upto 31st March, 2019 aggregating to Rs. 30,627.52 thousands (including Rs. 810.00 thousands for the year) on unsecured loan amounting to Rs. 5,400.00 thousands (Previous year Rs. 6,300.00 thousands) as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.
- 10 Disclosure of Trade payables regarding the status of supplier's as defined under the "Micro, Small & Medium Enterprises Development Act, 2006" (the Act) has not been made since there has been no such confirmation send by the company to their supplier regarding their status. Hence relevant disclosure U/s 22 of the act has not been made.
- 11 As per consistent policy, no provision has been made in these financial statements for accrued liability of gratuity upto 31st March, 2003 in respect of employees of Fine Yarn and Carpet Division amounting to Rs. 2,430.17 thousands and Rs. 999.79 thousands respectively and for employees of Textiles Division and Head Office who are in the service of the company as on 31st March, 2011 amounting to Rs. 15,323.10 thousands and Rs. 710.24 thousands respectively, to the extent identified. From the year ended 31st March, 2012, no actuarial valuation has been carried out in respect of employees existing as on 31st March, 2019 and has been only provided in respect of employees retired during the period. However, in absence of actuarial valuation as per Ind AS 19 on employee benefit, accrued liability for gratuity has not been ascertained and necessary provision has not been made.
- 12 Pending ascertainment of the amounts, no provision has been made in these financial statements for dues, interest, penalty or other liability for delay / default in payment of statutory / other liabilities including in respect of provident fund, gratuity, excise duty, sales tax listing fees etc. Due to huge losses and non - availability of sufficient cash, the company is in the process of making payment of statutory dues (including gratuity) as and when the sufficient funds will be available.
- 13 Due to huge losses and various divisions being run by licensee / third parties under licensing / other agreement the management has not carried out any exercise with regard to measurement and recognition of loss on impairment of assets.
- 14 Pending confirmation with regard to a fixed deposit of Rs. 1320.59 thousand pledged with the State Bank of India for utilization of bank guarantee, no adjustment has been made in the financial statements.
- 15 Inventories as on 31st March 2019 amounting to Rs. 795.18 thousands (as at 31st March, 2018 Rs. 795.18 thousand) is lying for more than one year. The Company is taking necessary steps to dispose off the same. In the opinion of management there would be no shortfall in their realizable value in the ordinary course of the business. Consequently, no further provision have been considered necessary in this regard.
- 16 Debit and Credit balances including trade receivables, fixed deposits, Deposit in NLA with IFCL, Security Deposits, Loans and Advances, trade payables, current liabilities including advances from customers, other liabilities, long term borrowings etc. are subject to confirmation/reconciliation with respect to individual details from concerned parties. Necessary adjustments in this respect will be carried out on ascertainment of amount thereof.
- 17 In view of the management, due to huge carried forward losses, unabsorbed depreciation and current year results, deferred tax assets are in much excess of the deferred tax liability which are not accounted for as there is no virtual certainty that there will be sufficient future taxable income.
- 18 Previous periods figure have been re-arranged/ re-grouped wherever necessary.
- 19 The figures for the Quarter ended 31st March, 2019 and 31st March, 2018 are the balancing figure between the audited figures in respect of full financial year and the year to date upto the quarter ended 31st December of the respective year.
- 20 The above financial results have been approved and taken on record by the Board of Directors at its meeting held on 16 August, 2019.

Place : Kolkata
Date: 16.08.2019



For the India Jute and Industries Limited

B. K. JALAN
Managing Director
DIN No: 00876208

