LODHA
&CO
Chartered Accountants

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Limited Review Report

The Board of Directors
The India Jute and Industries Limited

1. We have reviewed the accompanying statement of unaudited Financial Results of The India Jute and Industries Limited ('the Company') for the quarter and nine months ended on 31st December 2016 ('the Statement'). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors and the same has been initialed by us for the purpose of identification. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Attention is drawn to the following notes of the accompanying results:
   a) Note no. 3 regarding non-provision of liquidated damages aggregating to Rs. 9,51,35,135 (including Rs.46,43,231 for the period) on excise duty loan and penal interest etc. amounting to Rs. 27,98,777 (including Rs. 1,22,068 for the period) on sales tax loan from West Bengal Industrial Development Corporation of India to the extent ascertained in accordance with Accounting Standard- 29 on "Provisions, Contingent Liabilities and Contingent Assets";

   b) Note no 7 regarding non-provision of interest on unsecured loan aggregating to Rs. 3,04,53,778 (including Rs. 8,17,875 for the period) in accordance with Accounting Standard- 29 on "Provisions, Contingent Liabilities and Contingent Assets";

   c) Note no. 8 regarding non-provision of actuarially ascertained liability (to the extent identified and ascertained) for gratuity aggregating to Rs.1,94,63,299 (including Rs Nil for the period) in accordance with Accounting Standard-15 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 Revised Accounting Standard-15, the impact of which is presently not ascertainable;

   d) Note no 3 regarding non-ascertainment and extent of dues payable with regard to loan/interest/penal interest, liquidated damages etc. payable to financial institution/assignee/other parties in accordance with Accounting Standard- 29 on "Provisions, Contingent Liabilities and Contingent Assets", the impact of which is presently not ascertainable;

   e) Note no 4 regarding shortfall in the book value of security as compared to the amount of secured loan;

   f) Note no. 5 regarding creation of Security in respect of Deferred payment liabilities and charge in respect of Assignee's of Modernisation and Rehabilitation Term Loans is yet to be created/modified;

   g) Note no 9 regarding non-provision for dues, interest, penalty and other liability for delay / default in payment of statutory / other liabilities/gratuity/listing fees etc.;

   h) Note no 11 regarding non-ascertainment and non-provision for impairment of assets in accordance with Accounting Standard- 28 on "Impairment of Assets";

i) Note no 12 with regard to non-ascertainment of status and recoverability of fixed deposit for Rs 13,20,593 pledged with State Bank of India;

j) Note no 13 regarding non-ascertainment of recoverability and non-provision for shortfall in the value of inventories in accordance with Accounting Standard-2 on "Valuation of Inventories" the extent of which cannot be commented upon by us;

k) Note no 14 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;

l) Note no 16 regarding payment of remuneration to managerial personnel which is subject to approval of Central Government;

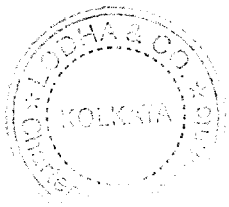
m) Note no 17 regarding giving the Cotton and Synthetic division on right to use basis to third parties. Impact of legal implication including non-obtaining of approval from relevant authorities for such transaction on these accounts is not ascertainable; and

n) The Company has suffered substantial losses in earlier years leading to erosion of its net worth as on 31st December 2016. For the reasons mentioned in Note no 2 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.

o) We further report that, without considering the impact of items mentioned in point (d) to (n) above, the effect of which could not be ascertained presently, had the impact of the item referred to in Point (a) to (c) above been given in the financial statement, the loss for the quarter and nine months would have been Rs. 14,63,06,949 (as against the reported profit of Rs. 15,44,040) and Rs. 15,66,49,600 (as against reported loss of Rs. 87,98,611) respectively.

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 results for the quarter and nine months ended 31st December 2016 prepared in accordance with then 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 information then 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.

5. We were the statutory auditors of the company till the financial year ended 31st March, 2017 and thereafter till the conclusion of the Annual General Meeting on 23rd September, 2017. The figures stated, notes and other disclosures in the accompanying statement have been made for the purpose stated in Note no. 1 and are therefore based on the accounts, balances and state of affairs as on 31st December 2016 and events subsequent to that (till the date of authentication of this statement) and impact if any in this respect, as such have neither been informed nor considered therein. This Limited Review Report has been issued at the request of the Management of the Company, for submission to The Calcutta Stock Exchange Limited as given in Note no. 1 of the accompanying Statement and should not be used by or distributed to anyone for any other purpose.



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

H. K. Verma
Partner
Membership No.055104

Place: Kolkata
Date: 13th February 2019

THE INDIA JUTE AND INDUSTRIES LIMITED
CIN: L17119WB1916PLC002720
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Statement of Unaudited Results for the Quarter and Nine Months Ended 31/12/2016

Amount in Rupees

	Particulars	3 months ended 31/12/2016	Previous 3 months ended 30/09/2016	Corresponding 3 months ended in the previous year 31/12/2015	Year to date figures for current period ended 31/12/2016	Year to date figures for previous period ended 31/12/2015	Previous year ended 31/03/2016
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Income from operations**						
	(a) Net sales/ income from operations (net of excise duty)	**6,82,83,710**	5,90,65,290	7,84,96,260	**19,52,54,360**	20,32,69,090	29,18,84,358
	(b) Other operating income	**7,99,880**	8,30,780	9,10,870	**24,83,070**	28,87,240	38,03,890
	Total income from operations (net)	**6,90,83,590**	5,98,96,070	7,94,07,130	**19,77,37,430**	20,61,56,330	29,56,88,248
2	**Expenses**						
	(a) Cost of materials consumed	**3,03,45,390**	2,85,10,941	3,74,91,451	**8,88,01,801**	9,65,53,536	13,83,69,398
	(b) Changes in inventories of finished goods, work in progress and stock-in-trade	**42,18,470**	(35,12,200)	31,32,960	**52,99,480**	1,61,05,430	1,15,89,701
	(c) Employee benefits expense	**19,19,660**	41,33,740	71,08,470	**93,65,160**	1,63,95,440	2,21,11,669
	(d) Depreciation and amortisation expense	**4,58,190**	4,58,190	3,65,140	**13,74,570**	10,95,420	14,60,569
	(e) Processing Charges	**2,66,04,240**	3,11,03,480	2,22,13,890	**8,85,34,570**	5,65,64,550	9,71,26,648
	(f) Other expenses	**18,93,740**	26,68,350	38,26,960	**67,67,690**	97,47,210	1,35,46,180
	Total expenses	**6,54,39,690**	6,33,62,501	7,41,38,871	**20,01,43,271**	19,64,61,586	28,42,04,165
3	**Profit/(loss) from operations before other income, finance cost and exceptional items(1 - 2)**	**36,43,900**	(34,66,431)	52,68,259	**(24,05,841)**	96,94,744	1,14,84,083
4	Other Income	**62,730**	45,370	37,343	**2,91,840**	50,74,518	52,60,465
5	**Profit/(loss) from ordinary activities before finance costs and exceptional items (3 + 4)**	**37,06,630**	(34,21,061)	53,05,602	**(21,14,001)**	1,47,69,262	1,67,44,548
6	Finance costs	**21,62,590**	21,81,220	22,93,400	**66,84,610**	72,34,570	94,31,725
7	**Profit/(loss) from ordinary activities after finance costs but before exceptional items (5 - 6)**	**15,44,040**	(56,02,281)	30,12,202	**(87,98,611)**	75,34,692	73,12,823
8	Exceptional Items	-	-	-	-	-	-
9	**Profit/(loss) from ordinary activities after finance costs but before tax (7 - 8)**	**15,44,040**	(56,02,281)	30,12,202	**(87,98,611)**	75,34,692	73,12,823
10	Tax expense	-	-	-	-	-	-
11	**Net Profit/(loss) from ordinary activities after tax (9 - 10)**	**15,44,040**	(56,02,281)	30,12,202	**(87,98,611)**	75,34,692	73,12,823
12	Paid-up equity share capital (Face value - Rs. 10/-)	**2,58,00,00,000**	2,58,00,00,000	2,58,00,00,000	**2,58,00,00,000**	2,58,00,00,000	2,58,00,00,000
13	Reserves excluding revaluation reserve as per Balance Sheet of previous account year	-	-	-	-	-	(14,09,61,333)
14	Earnings Per Share (EPS) of Rs. 10 each						
	Basic (Rs.)	**0.60**	(2.17)	1.17	**(3.41)**	2.92	2.83
	Diluted (Rs.)	**0.60**	(2.17)	1.17	**(3.41)**	2.92	2.83

Segment Wise Revenue, Results, Assets and Liabilities are as follows:

Amount in Rupees

Sl. No	Particulars	Quarter Ended			Nine Month Ended		Year Ended
		31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/03/2016
A.	Segment Revenue						
	Textile	6,90,83,590	5,86,76,870	7,28,69,120	19,63,25,600	19,73,28,930	27,68,81,321
	Fine Yarn	-	12,19,200	65,38,010	14,11,830	88,27,400	1,88,06,927
	Carpet	-	-	-	-	-	-
	Net Revenue from Operations and interdivisional transfers	**6,90,83,590**	**5,98,96,070**	**7,94,07,130**	**19,77,37,430**	**20,61,56,330**	**29,56,88,248**
	Less:Inter Segment transfers	-	-	-	-	-	-
	Net Revenue from Operations	**6,90,83,590**	**5,98,96,070**	**7,94,07,130**	**19,77,37,430**	**20,61,56,330**	**29,56,88,248**
B.	Segment Results						
	Textile	39,20,180	(14,78,251)	61,01,829	20,32,649	2,12,74,054	1,86,49,277
	Fine Yarn	(2,48,420)	(19,74,780)	(7,72,690)	(42,64,070)	(64,13,780)	(18,06,083)
	Carpet	(13,320)	(13,320)	(60,600)	(39,960)	(1,81,800)	(2,35,561)
	Sub-Total	**36,58,440**	**(34,66,351)**	**52,68,539**	**(22,71,381)**	**1,46,78,474**	**1,66,07,633**
	Less:Inter Segment transfers						
	Finance Costs	21,62,590	21,81,220	22,93,400	66,84,610	72,34,570	94,31,725
	Other un-allocable expenditure net of unallocable Income	(48,190)	(45,290)	(37,063)	(1,57,380)	(90,788)	(1,36,915)
	Profit before Tax	**15,44,040**	**(56,02,281)**	**30,12,202**	**(87,98,611)**	**75,34,691**	**73,12,823**
C.	Capital Employed						
	Textile	1,52,64,235	63,19,223	1,99,92,663	1,52,64,235	1,99,92,663	2,34,94,017
	Fine Yarn	32,88,792	35,08,373	27,12,066	32,88,792	27,12,066	72,55,471
	Carpet	56,86,274	56,99,594	57,80,004	56,86,274	57,80,004	57,26,233
	Unallocated/Capital Liabilities	(12,06,90,618)	(11,35,22,547)	(11,59,15,572)	(12,06,90,618)	(11,59,15,572)	(12,41,28,427)
	Total Capital Employed	**(9,64,51,317)**	**(9,79,95,357)**	**(8,74,30,837)**	**(9,64,51,317)**	**(8,74,30,837)**	**(8,76,52,706)**

Notes-

1 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 begining 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 Statutory Auditor's of the company have carried out a limited review of the results.

2 The operating results have adversly affected due to adverse market conditions and accumulated losses of the company as at 31st December 2016 stands at Rs.12,22,51,317 as against the share capital of Rs.2,58,00,000. Also current liabilities as at 31st December 2016 exceeds current assets. 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 gazattee dated 28th November, 2016. The company has not yet made reference under the new law.

The Company has positive EBIDTA 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.

3 Due to continued adverse workings, the Company could not repay the principal amounts due for repayment and interest on secured loans to the Financial Institutions / Assignees / Other Parties. Interest, penal interest, liquidated damages, payable due to such default as per the agreements have been decided to be accounted for as and when paid / settled with the lenders / assignee. Accordingly, liquidated damages estimated by the management based on the available information amounting to Rs.9,51,35,135 (including Rs. 15,47,744 for the quarter and Rs. 46,43,231 for the nine months period) on Excise Duty Loan from the Government of India and penal interest, etc. amounting to Rs.27,98,777 (including Rs.40,689 for the quarter and Rs. 1,22,068 for the nine months period) 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.

4 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.

5 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 financials institutions/others.

6 Though the loans have been assigned by original lender to others, the charge in respect of assignees except in respect of United Credit Limited is yet to modified. Steps are being taken to modify the same in favour of assignees.

7 Interest accrued upto 31st December, 2016 aggregating to Rs.3,04,53,778 (including Rs. 2,72,625 for the quarter and Rs. 8,17,875 for nine months period) on unsecured loan amounting to Rs. 63,00,000 as estimated by the management (without considering additional interest, if any, on non-payment of principal interest) has not been provided for and the same will be accounted for as and when paid/settled.

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

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

9 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.

10 Cost / Book value of all the fixed assets of the Company as on 31st March,1987 was written up on revaluation by Rs.24,95,38,035 by crediting the corresponding amount to Revaluation Reserve on Revaluation of fixed assets as on 31st March,1987. Revaluation Reserve Account was pending reconciliation with the asset wise details. Consequential adjustment arising out of such reconciliation including adjustments on account of assets sold till 31st March 2014 were not determined.

11 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.

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

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

14 Debit and Credit balances including trade receivables, fixed deposits, Deposit in NLA with IFCI, 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.

15 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.

16 In view of inadequacy of profit, remuneration of Rs.26,31,242 paid to Managing Director and Whole Time Director is subject to approval of the Central Government.

17 The Company had entered into an agreement with Adinath Cotton And Synthetic Spinners Private Limited (Adinath) on 23rd March, 2006 and 26th July, 2006 wherein, the doubling unit and single yarn unit of Synthetic and Cotton manufacturing unit which are under suspension of work w.e.f. 16th August, 2002 were given to Adinath w.e.f. 09th March, 2006 and 26th July, 2006 respectively as right to use for running such units with entitlement to use all existing fixed assets and other equipments belonging to the Company at such units. Since no production has been made in the unit directly by the Company during the year, no provision has been made for cost of employees relating to the unit.

18 Previous periods figure have been re-arranged/ re-grouped wherever necessary.

Place : Kolkata
Date: 13/02/2019

For the India Jute and Industries Limited

B. K. JALAN
Managing Director
DIN No: 00876208