

22nd
ANNUAL REPORT
APRIL 2017 – MARCH 2018



RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

BOARD OF DIRECTORS	: Shri P. K. Kanoria	–	Executive Chairman
	Shri S. Hada	–	Managing Director & CEO
	Shri P. K. Jain	–	Independent Director
	Dr. P. K. Mookerjee	–	Independent Director
	Shri P. Bhartia	–	Independent Director
	Shri V. K. Chaukhani	–	Whole-time Director
	Smt. Smita Poddar	–	Non-Executive Director
	Shri Rohit Banka	–	Independent Director

**PRESIDENT (FINANCE)
CFO & COMPANY
SECRETARY**

: Shri S. K. Agarwal

REGISTERED OFFICE

: Ideal Plaza, South Block, 4th Floor
11/1, Sarat Bose Road, Kolkata-700 020
Phone : (033) 2280 7017/18, Fax: (033) 2280 7016
E-mail: financeho@reliancejute.com
Website: www.reliancejute.com
CIN : L17125WB1996PLC081382

WORKS

: Reliance Jute Mills
Bhatpara-743 123
24 Parganas (North), West Bengal

AUDITORS

: Jitendra K Agarwal & Associates
Chartered Accountants
5-A, Nandlal Jew Road, Kolkata-700 026

REGISTRAR

: S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street, Kolkata-700 006
Phone No.: (033) 2219 6797, Fax : (033) 2219 4815
E-mail:skcdilip@gmail.com

BANKER

: Punjab National Bank
135, B.R.B.B. Road, Kolkata-700 001

LISTING OF SHARE

: The Calcutta Stock Exchange Limited
7, Lyons Range, Kolkata-700 001

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E~mail: financeho@reliancejute.com, Website: www.reliancejute.com

NOTICE OF 22ND ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of the members of Reliance Jute Mills (International) Limited will be held on Tuesday, the 25th day of September, 2018 at 4.00 P.M at Rotary Sadan, S. S. Hall, 94/2, Chowringhee Road, Kolkata-700 020 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018 and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Smita Poddar (DIN: 01204391), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS :

3. To consider and, if thought fit, to pass the following resolution as a **Special Resolution** :

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded to the re-appointment of Shri Sanjay Hada (DIN: 00305476) as the Managing Director and Chief Executive Officer of the Company, for a period of 5 (five) years with effect from 1st January, 2019 on such terms and conditions as set out in this resolution and the explanatory statement annexed hereto and payment of such remuneration, as may be determined by the Board or a duly constituted Committee thereof, from time to time, within the maximum limits of remuneration for Managing Director approved by the Members of the Company.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. To consider and, if thought fit, to pass the following resolution as a **Special Resolution** :

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with

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Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded to the re-appointment of Shri Vijendra Kumar Chaukhani (DIN: 00309895) as the Whole-time Director of the Company, for a period of 2 (two) years with effect from 1st August, 2018 on such terms and conditions as set out in this resolution and the explanatory statement annexed hereto and payment of such remuneration, as may be determined by the Board or a duly constituted Committee thereof, from time to time, within the maximum limits of remuneration for Whole-time Director approved by the Members of the Company.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and, if thought fit, to pass the following resolution as a **Special Resolution** :

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 effective from 1st April, 2019, Dr. Pranab Kumar Mookerjee (DIN: 00110648), who has attained the age of 77 years and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office and continue as an Independent Director of the Company for a second term of 5(five) years with effect from 1st April, 2019 to 31st March, 2024, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

6. To consider and, if thought fit, to pass the following resolution as a **Special Resolution** :

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Shri Pradeep Kumar Jain (DIN: 00372338), Independent Director of the Company who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5(five) years with effect from 1st April, 2019 to 31st March, 2024 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

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7. To consider and, if thought fit, to pass the following resolution as a **Special Resolution** :

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Shri Piyush Bhartia (DIN: 00154138), Independent Director of the Company who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of 5(five) years with effect from 1st April, 2019 to 31st March, 2024 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Shri Rohit Banka (DIN: 07521286) who was appointed as an Additional Director of the Company with effect from 11th December, 2017 and who, in terms of Section 161 of the Companies Act, 2013 holds office upto the date of ensuing Annual General Meeting and who is eligible for re-appointment as an Independent Director of the Company and in respect of whom the Company has received a notice, in writing, from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Rohit Banka as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as an Independent Director with effect from this Annual General Meeting upto the conclusion of 27th Annual General Meeting of the Company to be held in the calendar year 2023.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended till date, and other applicable Rules, if any, and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (including any statutory modification(s) or enactment thereof for the time being in force) and the Company’s policy on Related Party Transactions, the approval of the Members be and is hereby accorded to the Board

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of Directors of the Company to enter into contract(s)/arrangement(s)/transaction(s) with related parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, as per details given hereunder on such term(s) and condition(s) as the Board of Directors may deem fit for the financial years 2019-2020, 2020-2021, 2021-2022, 2022-2023 and 2023-2024 provided that the said contract(s)/arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to the Audit Committee of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

Name of the Related Party	Types of transactions	Maximum amount per annum (Rs. in lacs)
Vapi Investments Ltd.	Jute Purchase	7500
P. K. Business Enterprise Ltd.	Jute Purchase	1000
Excellent Dealers Ltd.	License Fee & Service Charge	10
Vanila Tracom Pvt. Ltd.	Payment of Rent & Maintenance Charges	10
Woodstock Traders & Investors Pvt. Ltd.	Jute Purchase	1000
Aravali Niwas Pvt. Ltd.	Jute Purchase	1000
Devang Tradecom Pvt. Ltd.	Jute Purchase	30
Softlink Merchants Pvt. Ltd.	Jute Purchase	30
Smt. Vinita Ahmed	Payment of Rent	10
Smt. Smita Poddar	Payment of Rent	10
Ms. Ashima Jain	Payment of Rent	10

10. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration payable to M/s. N. Radhakrishnan & Co., Cost Accountants, (Firm Registration No. 000056) appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending 31st March, 2019, amounting to Rs.30,000/- (Rupees Thirty Thousand) Only as also the payment of applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved."

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11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution** :

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent of the shareholders be and is hereby accorded to Board of Directors (hereinafter called “the Board” which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to sell, lease or otherwise dispose off the whole or substantially the whole or any part of the Company’s moveable and/or immovable assets and properties situated at Bhatpara, 24, Parganas (North), West Bengal with effect from such date and on such terms and conditions as may be considered or deemed expedient, necessary or desirable and finalized by the Board.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to finalise and decide the terms and conditions of sale/transfer/disposition/lease including consideration for the same.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things (including finalizing, executing and registering the deeds, documents and writings) as it may, in its sole and absolute discretion deem necessary, proper and/or desirable and to decide and settle any question, doubt or difficulty that may arise in regard to the sale/transfer/disposition/lease of any asset of the Company, as the Board, in its absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments.”

Kolkata, the 30th day of May, 2018

**By Order of the Board
For Reliance Jute Mills (International) Ltd.
S. K. Agarwal
President (Finance) &
Company Secretary**

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NOTES :

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting [AGM] is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.

Pursuant to provisions of Section 105(1) of the Companies Act, 2013, read with Rule 19(2) of The Companies (Management and Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. Information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI), in respect of the Director seeking re-appointment at the AGM is provided hereunder.
5. As required under SS-2 issued by the ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed to the Annual Report.
6. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42(5) of the Listing Regulations, the Share Transfer Books and Register of Members of the Company will remain closed from 20th September, 2018 to 25th September, 2018 (both days inclusive).
7. As per Regulation 40(7) of the Listing Regulations read with Schedule VII to the said Regulations, for registration of transfer of shares, the transferee(s) as well as transferor(s) shall mandatorily furnish copy of their Income Tax Permanent Account Number (PAN). Additionally, for securities market transactions and/or for off market / private transactions involving transfer of shares in physical mode of listed Companies, it shall be mandatory for the transferee(s) as well as transferor(s) to furnish copy of PAN Card to the Company / RTA for registration of such transfer of shares. In case of transmission of shares held in physical mode, it is mandatory to furnish a copy of the PAN Card of the legal heir(s) / Nominees (s).

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8. The Ministry of Corporate Affairs (MCA), Government of India has introduced a 'Green initiative in Corporate Governance' by allowing paperless compliances by the Companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed thereunder.
9. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members who have not registered their e-mail Id, please communicate the same to the Company or RTA at their communication address given in the Annual Report in respect of the shares held in physical mode or communicate to your DPs concerned in respect of shares held in demat / electronic mode. Although Members are entitled to receive physical copy of the Notices, Annual Reports, etc. from the Company, we sincerely seek your support to enable us to forward these documents to you only by e-mail, which help us participate in the Green Initiatives of the MCA and to protect our environment.
10. Members are requested to notify promptly any change in their address to the Company's Registrars and Share Transfer Agent, M/s. S. K. Infosolutions Pvt. Ltd. Members are also requested to send all correspondence relating to Shares, including transfers and transmissions to the above Registrars and Share Transfer Agent.
11. In terms of Section 72 of the Companies Act, 2013, the facility for making nominations is available for members in respect of the shares held by them in the physical form. The Shareholders, who are desirous of availing this facility, may obtain Nomination Form SH-3 from the Company's Registered Office. Members holding shares in dematerialized mode, should file their nomination with their Depository Participant (DP).
12. Members may also note that the Notice of the 22nd Annual General Meeting and Annual Report for 2017-18 of the Company will also be available on the Company's website www.reliancejute.com. for their download.
13. Members desirous of obtaining information in respect of accounts and operations of the Company are requested to send queries in writing to the Company at the registered office, so as to reach at least seven days before the date of the meeting so that proper information can be made available at the meeting.
14. The Ministry of Corporate Affairs has notified certain amendments to the Companies Act, 2013 on 7th May, 2018 whereby inter-alia, first proviso to Section 139 seeking ratification of the Member for the appointment of Auditor at every Annual General Meeting has been omitted.
15. The shares of the Company have been listed at The Calcutta Stock Exchange Limited and Company has already paid Listing Fees to the said Stock Exchange for the year 2018-19.
16. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors

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are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

17. All the documents referred to in the Notice and Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days from the date hereof upto the date of the Meeting.
18. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and sub-clause (1) & (2) of Regulation 44 of SEBI Listing Regulations, the Company is pleased to provide remote e-voting facilities to its Members in respect of the business to be transacted at the 22nd Annual General Meeting (AGM) of the Company. The Company has engaged the services of National Securities Depository Ltd. (NSDL) as authorised agency to provide the facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting'). It is clarified that it is not mandatory for a Member to vote using remote e-voting facility.

This notice is being sent to all the members whose name appears as on 1st September, 2018 in the register of members or beneficial owners as received from M/s. S. K. Infosolutions Pvt. Ltd., the Registrar and Transfer Agent of the Company.

A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on 19th September, 2018 ("**the Cut off Date**") only shall be entitled to vote through Remote E-voting and at the AGM. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the **Cut off Date**.

The voting for the agenda items as mentioned in the Notice shall be done in the following manner:

- (i) Members may cast their votes through electronic means by using an electronic voting system from a place other than the venue of AGM ("Remote E-voting") in the manner provided below during the e-voting period mentioned below in Para (18)(C).
 - (ii) At the venue of AGM, voting shall be done through ballot papers ("Ballot Paper") and the members attending AGM who have not casted their vote by Remote E-voting shall be entitled to cast their vote through Ballot Paper.
 - (iii) A Member may participate in the AGM even after exercising his right to vote through Remote E-voting but shall not be allowed to vote again at the venue of the AGM. If a Member casts votes through Remote E-voting and also at the AGM, then voting done through Remote E-voting shall prevail and voting done at the AGM shall be treated as invalid.
- A. Instruction for E-voting by Members whose E-mail IDs are registered with the Company/ Depository Participant(s) :

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- (a) Members whose E-mail addresses are registered with the Company/Depository Participant(s) will receive an E-mail from NSDL informing the “USER-ID” and “PASSWORD”.
 - (b) Open e-mail and open PDF file viz. ‘RJM e-voting.pdf’ with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (c) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com>.
 - (d) Click on Shareholder – Login.
 - (e) Enter user ID and password as initial password/PIN noted in step (a) above. Click Login.
 - (f) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (g) Home page of remote e-voting opens. Click on e-voting Active Voting Cycles.
 - (h) Select “EVEN” (E Voting Event Number) of Reliance Jute Mills (International) Limited.
 - (i) Now you are ready for e-voting as Cast Vote page opens.
 - (j) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - (k) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (l) Once you have voted on the Resolution, you will not be allowed to modify your vote.
 - (m) Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (in PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through E-mail to **kothari.navin@yahoo.com** with a copy marked to **evoting@nsdl.co.in**.
- B. Instruction for E-voting by Members whose E-mail IDs is not registered with Company/Depository Participant(s) or requesting physical copy :
- (a) For Members whose E-mail IDs are not registered with the Company/Depository Participant(s), will be receiving notice of AGM by post.
 - (b) Initial password is provided on the attendance slip for the AGM.

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- (c) Please follow all steps from Sl. No. (c) to (m) of (A) above, to cast vote.

Notes :

- (i) Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot Password” option available on the site to reset the password.
- (ii) If you are already registered with NSDL for e-voting then you can use your existing User ID and password for casting your vote.
- (iii) You can also update your mobile number and E~mail ID in the user profile details of the folio, which may be used for sending future communication(s).
- (iv) Once the vote on a Resolution is cast by a Member, he/she shall not be allowed to change it subsequently or cast the vote again.

C. E-voting Period

The Remote E-voting period commences on Saturday, 22nd September, 2018 (9.00 a.m.) and ends on Monday, 24th September, 2018 (5.00 p.m.). During the aforesaid period, Members of the Company may opt to cast their votes through Remote E-voting. After 24th September, 2018 (5.00 p.m.) the Remote Evoting facility will be blocked.

D. User ID and Password for the members who became Members after dispatch of AGM notice :

Persons who have acquired shares and became members of the Company after dispatch of the notice of AGM but before the **cut off date of 19th September, 2018**, may obtain their user ID and password for e-voting from the Company’s Registrar and Share Transfer Agent or NSDL.

E. Queries in relation to E-voting :

In case of any queries, you may refer to the “Frequently Asked Questions (FAQs) for members and e-voting user manual for members” available at the ‘downloads’ section of www.evoting.nsdl.com. For any further grievance related to the Remote E-voting members may contact NSDL at the following contact information:

Phone No.: +91 22 24994600/24994738, Toll free no. 1800222990

E-mail ID: evoting@nsdl.co.in

19. Members who have not exercised the option of Remote E-voting shall be entitled to participate and vote at the venue of the AGM on the date of the AGM. Voting at the venue of AGM shall be done through Ballot Papers and Members attending the AGM shall be able to exercise their voting rights at the meeting through Ballot Papers. After the agenda item has been discussed, the Chairman will instruct the Scrutinizer to initiate the process of voting on all the Resolutions through Ballot Papers. The Ballot Paper/s will be issued to the Shareholders/Proxy holders/

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Authorised Representatives present at the AGM. The shareholders may exercise their right of vote by tick marking (v) against “FOR” or “AGAINST” as his/her choice may be, on the agenda item in the Ballot Paper and drop the same in the Ballot Box(es) kept at the meeting hall for this purpose.

20. Shri Navin Kothari, Company Secretary in practice (Membership No. 5935) of M/s. N. K. & Associates, Company Secretaries having consented to act as Scrutinizer has been appointed as Scrutinizer (“Scrutinizer”) for scrutinizing the voting process (Ballot Paper as well as Remote E-voting) in a fair and transparent manner.

The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM by Ballot Papers and thereafter unblock the votes casted through e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall, within a period not exceeding 48 hours from the conclusion of the AGM, prepare and present a consolidated report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

21. The result of voting (Remote E-voting and the voting at the AGM) on the Resolutions shall be declared within 48 hours from the conclusion of AGM by the Chairman or any person authorised by him for this purpose. The results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. www.reliancejute.com in the investor’s relation section and on the website of NSDL i.e. www.evoting.nsdl.com immediately after the result is declared and simultaneously communicated to The Calcutta Stock Exchange Ltd.

Information relating to the appointment/re-appointment of Director(s) at the ensuing Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meeting issued by ICSI

Item No. 2: Re-appointment of Smt. Smita Poddar (DIN: 01204391) as a Director of the Company, liable to retire by rotation.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Rules framed thereunder and the Articles of Association of the Company, Smt. Smita Poddar, Director is due to retire by rotation at the AGM and being eligible, has offered herself for re-appointment. The Company has received necessary disclosures and declarations from Smt. Smita Poddar under the Companies Act, 2013 and the Listing Regulations, confirming her eligibility to be re-appointed as a Director of the Company, liable to retire by rotation.

Smt. Smita Poddar is a Foreign National and she has wide experience of business. The Directors are of the opinion that her knowledge and experience will be of benefit to the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Shri Pawan Kumar Kanoria, father of Smt. Smita Poddar and Smt. Smita Poddar to whom this resolution relates is concerned or interested financially or otherwise, in the resolution.

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Item No. 3. Appointment of Shri Sanjay Hada (DIN: 00305476) as Managing Director & CEO of the Company and fixing his remuneration

Shri Sanjay Hada is a Commerce Graduate and he has more than 28 years of vast experience in textile spinning, mini steel and Jute Industry. Presently, Shri Hada is working as Managing Director & CEO of Reliance Jute Mills (International) Ltd. w. e. f. 01.01.1999. Shri Hada has also served as Vice-Chairman of Indian Jute Industries Research Association (IJIRA). He is a member of the Executive Committee of Indian Jute Mills Association (IJMA) and has been member of Executive Committee of National Jute Board (NJB).

Shri Sanjay Hada, Managing Director of the Company is responsible for production, purchase and resource management. He is responsible to improve the production and productivity of the Company. He is also involved in policy planning, vision & strategy and long term development activities of the Company.

Shri Hada doesn't hold Directorship and/or Membership of Committees of the Board in any other listed Company. He doesn't hold any shares in the Company.

There is no inter-se relationship between Shri Hada and any other Director and Key Managerial Personnel of the Company except Shri Pawan Kumar Kanoria, Executive Chairman of the Company.

Item No. 4 Appointment of Shri Vijendra Kumar Chaukhani (DIN: 00309895) as Whole-time Director of the Company and fixing his remuneration.

Shri Vijendra Kumar Chaukhani, aged about 68 years (holding DIN 00309895) is a Commerce Graduate. He has been associated with the Company for the last several years in his capacity as Whole-time Director.

Shri Chaukhani is responsible for framing policy and planning in respect of marketing activities of the Company.

Shri Chaukhani doesn't hold Directorship and/or Membership of Committees of the Board in any other listed Company. He holds 20 equity shares in the Company.

There is no inter-se relationship between Shri Chaukhani and any other Director and Key Managerial Personnel of the Company.

Item No. 5 Appointment of Dr. Pranab Kumar Mookerjee (DIN: 00110648) as an Independent Director of the Company :

Dr. P. K. Mookerjee is a fellow of Institution of Engineers (India) and a Committee Member of British Indian Association. He is a Chemical Engineer and also has done his Master of Science and Ph.D. from U.S.A. He serves as Director on the Board of different companies. He has vast experience in policy making, planning and directing in different areas of various companies.

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Shri Mookerjee doesn't hold Directorship and/or Membership of Committees of the Board in any other listed Company. He holds 1,126 equity shares in the Company.

There is no inter-se relationship between Shri Mookerjee and any other Director and Key Managerial Personnel of the Company.

Item No. 6 Appointment of Shri Pradeep Kumar Jain (DIN: 00372338) as an Independent Director of the Company :

Shri Pradeep Kumar Jain is fellow member of the Institute of Chartered Accountants of India. He has vast experience in the field of accountancy, finance and taxation. He is senior partner of CA Firm which carry out audit of several renowned companies.

Shri Jain doesn't hold Directorship in any other listed Company other than Reliance Jute Mills (International) Ltd. He is the Chairman of Audit Committee and Member of Nomination & Remuneration Committee and Stakeholders Relationship Committee of Reliance Jute Mills (International) Ltd.

Shri Jain doesn't hold Directorship and/or Membership of Committees of the Board in any other listed Company. He doesn't hold any equity shares in the Company.

There is no inter-se relationship between Shri Jain and any other Director and Key Managerial Personnel of the Company.

Item No. 7 Appointment of Shri Piyush Bhartia (DIN: 00154138) as an Independent Director of the Company :

Shri Piyush Bhartia is a Commerce Graduate. He has vast experience in real estate business. He is on the Board of various companies of Bhartia Group but doesn't hold Directorship and/or Membership of Committees of the Board in any other listed Company. He doesn't hold any equity shares in the Company.

There is no inter-se relationship between Shri Bhartia and any other Director and Key Managerial Personnel of the Company.

Item No. 8 Appointment of Shri Rohit Banka (DIN: 07521286) as an Independent Director of the Company :

Shri Rohit Banka is B.E. Tele Communication and MBA in Finance. He is young, energetic and dynamic Financial Consultant.

Shri Banka doesn't hold Directorship and/or Membership of Committees of the Board in any other listed Company. He doesn't hold any equity shares in the Company.

There is no inter-se relationship between Shri Banka and any other Director and Key Managerial Personnel of the Company.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102
OF THE COMPANIES ACT, 2013**

Item No. 3

Shri Sanjay Hada was appointed as the Managing Director of the Company for a period of 5(five) years with effect from 1st January, 2014, post approval of the Members. Subsequently, he was appointed as Chief Executive Officer of the Company with effect from 5th May, 2015. The present term of Shri Sanjay Hada comes to an end on 31st December, 2018.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved re-appointment of Shri Sanjay Hada as Managing Director and Chief Executive Officer for a further period of 5(five) years with effect from 1st January, 2019, post completion of his present term in December, 2018.

Shri Sanjay Hada is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director and Chief Executive Officer of the Company. Shri Sanjay Hada satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

The principal terms and conditions including the remuneration governing the re-appointment of Shri Sanjay Hada are enumerated hereunder :

Salary : Rs.6,00,000/- per month in the salary range of Rs.4,00,000/- to Rs.7,00,000/- per month with such increments as may be decided by the Board from time to time subject to ceiling of Rs.7,00,000/- per month or such higher amount of ceiling to which Managing Director & CEO may be entitled as per Schedule V of the Companies Act, 2013 or under any other applicable provisions of the said Act.

Perquisites : Unless the context otherwise requires the perquisites are classified into two categories A & B and shall be evaluated as per Income-Tax Rules, 1962 wherever applicable.

Category – A

- a) Company's contribution to Provident Fund as per Company's Rules. The Company's contribution to the Superannuation Fund subject to a maximum ceiling of Rs.1,50,000/- per annum or higher limit as per Schedule V of the Companies Act, 2013.
- b) Gratuity not exceeding half a month's salary for each completed year of service.
- c) Entitlement of leave, accumulation of leave and encashment (at the end of the tenure) will be as per Company's Rule.

Category-B

- a) Fees of Clubs subject to a maximum of two Clubs; this will not include Admission and/or Life Membership Fees.

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- b) The Company shall provide car with driver and telephone facility at the residence of the Managing Director & CEO. Provision of car for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to the Managing Director & CEO.
- c) The Company may provide rent free accommodation or house rent allowance to the Managing Director & CEO which, together with salary and other benefits, will be subject to a limit as provided in Schedule V of the Companies Act, 2013 or under any other applicable provision of the said Act.
- d) Reimbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges for self and family and travel relating thereto.

Other Terms :

- a. The Managing Director & CEO shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- b. The Managing Director & CEO shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
- c. The Managing Director & CEO shall be entitled to reimbursement of all actual expenses, including on entertainment and traveling, incurred in the course of the Company's business.
- d. The appointment may be terminated by the Company or by the Managing Director & CEO by giving not less than one month's prior notice in writing.
- e. The Managing Director & CEO shall be authorized to appoint/empower/delegate power to any person to sign any paper, application, plaint, petition and other documents as well as affidavits which may be required to be filed before various courts or before any other Govt. authority, Tribunal and/or local authority in connection with any legal proceedings by or against the Company and to represent the Company in all other matters incidental thereto.
- f. That without prejudice to the powers contained in the previous clause, the Directors may from time to time entrust to the Managing Director & CEO such of the powers exercisable by the Directors as they think fit and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions, and with such restrictions as they may think expedient.
- g. That the Managing Director & CEO shall not, however, be entitled to exercise the powers (a) to make calls upon the members of the Company in respect of moneys unpaid on the shares held by them, (b) to borrow any sum or sums of moneys for the purpose of the Company or to make loans out of the funds of the Company or (c) to invest any of the moneys of the Company, except within such limits as may from time to time be previously fixed by the Directors.

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In the event of absence or inadequacy of profits in any financial year during the aforesaid period of five years, the Company will pay to Shri Hada remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V to the Act or any modification(s) or re-enactment(s) thereof as minimum remuneration, subject to such approvals as may be required.

A copy of the draft letter of re-appointment referred to in the proposed Special Resolution may be inspected by any Member at the Registered Office of the Company on any working day prior to the date of the AGM between 10.00 a.m. to 12.00 p.m. and will also be available for inspection at the AGM.

Except Shri Pawan Kumar Kanoria, Smt. Smita Poddar, relatives of Shri Sanjay Hada and Shri Sanjay Hada, being appointee, none of the other directors of the Company and key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at **Item No. 3** of the Notice.

The Board of Directors recommend passing of proposed **Special Resolution** as set out at **Item No. 3** of the Notice.

Item No. 4

Shri Vijendra Kumar Chaukhani was appointed as the Whole-time Director of the Company for a period of 2 (two) years with effect from 1st August, 2016 post approval of the Members. The present term of Shri Vijendra Kumar Chaukhani comes to an end on 31st July, 2018.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved re-appointment of Shri Vijendra Kumar Chaukhani as Whole-time Director whose office shall be liable to determination by retirement of directors by rotation for a further period of 2(two) years with effect from 1st August, 2018

Shri Vijendra Kumar Chaukhani is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Whole-time Director of the Company. Shri Vijendra Kumar Chaukhani satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

The principal terms and conditions including the remuneration governing the re-appointment of Shri Vijendra Kumar Chaukhani are enumerated hereunder :

1. **Salary :** Rs.1,35,200/- per month or such other sum as would be determined by the Chairman from time to time.
2. **Perquisites :** The Whole-time Director shall also be entitled to house rent allowance, furnishing allowance, payment of medical expenses, leave travel concession for self and family, personal accident insurance, provision of car, telephone at residence and any other perquisite as may be decided by the Chairman from time to time subject to an amount equal to the annual salary. Provision for use of Company car for official purpose and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation

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of perquisites for the purpose of calculation of the said ceiling. Perquisites shall be evaluated as per Income Tax rules, wherever applicable.

The remuneration mentioned above including the value of the perquisites will be subject to the overall ceilings laid down under Section 197 of the Companies Act, 2013 (the Act) read with Schedule V thereto.

3. Shri Chaukhani will also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified above :
 - (a) The Company's contribution towards Provident Fund as per the rules of the Company but restricted to the extent this is not taxable under the Income Tax Act, 1961. The Company's contribution to the Superannuation Fund subject to a maximum ceiling of Rs.1,00,000/- per annum or higher limit as per Schedule V of the Companies Act, 2013.
 - (b) Gratuity not exceeding one-half month's salary for each completed year of service.
 - (c) Leave on full pay and allowances as per rules of the Company.
4. Shri Chaukhani shall not be paid any sitting fee for attending the meeting of the Board or any Committee thereof.
5. In the event that the Company in any financial year during the aforesaid period, has no profit or its profits are inadequate, the remuneration payable to Shri Chaukhani shall not exceed the limits specified in Section II of Part II of Schedule V to the Act or any modification or re-enactment thereof as minimum remuneration, subject to such approvals as may be required.
6. Shri Chaukhani will be reimbursed by the Company of all entertainment and other expenses actually incurred by him in connection with the business of the Company subject, however, to such limits as may be fixed by the Chairman from time to time.
7. Shri Chaukhani will not, so long as he functions as a Whole-time Director, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future. His appointment shall cease on any contravention of this condition.

In the event of absence or inadequacy of profits in any financial year during the aforesaid period of two years, the Company will pay to Shri Chaukhani remuneration by way of salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V to the Act or any modification or re-enactment thereof as minimum remuneration, subject to such approvals as may be required.

Except Shri Vijendra Kumar Chaukhani, being appointee, none of the other directors of the Company and key managerial personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at **Item No. 4** of the Notice.

The Board of Directors recommends passing of proposed **Special Resolution** as set out at **Item No. 4** of the Notice.

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Item No. 5

The Members at the 18th Annual General Meeting held on 27th September, 2014 approved the appointment of Dr. Pranab Kumar Mookerjee as an Independent Director of the Company for a period of 5 (five) years, post approval of the Members, with effect from 1st April, 2014. Dr. Mookerjee will complete his present term on 31st March, 2019.

The Board of Directors of the Company ('the Board') at the meeting held on 30th May, 2018, on the recommendation of the Nomination & Remuneration Committee, recommended for approval of the Members, the re-appointment of Dr. Mookerjee as an Independent Director of the Company with effect from 1st April, 2019, post completion of his present term in March, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), or any amendment thereto or modification thereof.

The Board is of the view that the continued association of Dr. Mookerjee would benefit the Company, given the knowledge, experience and performance of Dr. Mookerjee, and contribution to Board process by him. Declaration has been received from Dr. Mookerjee that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board Dr. Mookerjee fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

Consent of the Members by way of **Special Resolution** is required for re-appointment of Dr. Mookerjee, in terms of Section 149 of the Act. Further, in terms of the recently notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of 75 years. Since, Dr. Mookerjee has already attained the age beyond 75 years, this Special Resolution, once passed, shall also be deemed as your approval under the aforesaid Regulations, for continuation of Dr. Mookerjee as an Independent Director beyond the age of 75 years.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Dr. Mookerjee has been received by the Company, and consent has been filed by Dr. Mookerjee pursuant to Section 152 of the Act.

None of the Directors or Key Managerial Personnel or their relatives, except Dr. Mookerjee, being appointee, is interested financially or otherwise, in this **Special Resolution**.

The Board recommends this **Special Resolution** for your approval.

Item No. 6

The Members at the 18th Annual General Meeting held on 27th September, 2014 approved the appointment of Shri Pradeep Kumar Jain, as an Independent Director of the Company for a period of 5 (five) years, post approval of the Members, with effect from 1st April, 2014. Mr. Jain will complete his present term on 31st March, 2019.

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The Board of Directors of the Company ('the Board') at the meeting held on 30th May, 2018, on the recommendation of the Nomination & Remuneration Committee, recommended for approval of the Members, the re-appointment of Shri Jain, as an Independent Director of the Company with effect from 1st April, 2019, post completion of his present term in March, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), or any amendment thereto or modification thereof.

The Board is of the view that the continued association of Shri Jain would benefit the Company, given the knowledge, experience and performance of Shri Jain, and contribution to Board process by him. Declaration has been received from Shri Jain that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board Shri Jain fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

Consent of the Members by way of **Special Resolution** is required for re-appointment of Shri Jain, in terms of Section 149 of the Act.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Shri Jain has been received by the Company, and consent has been filed by Shri Jain pursuant to Section 152 of the Act.

None of the Directors or Key Managerial Personnel or their relatives, except Shri Jain, being appointee, is interested financially or otherwise, in this **Special Resolution**.

The Board recommends this **Special Resolution** for your approval.

Item No. 7

The Members at the 18th Annual General Meeting held on 27th September, 2014 approved the appointment of Shri Piyush Bhartia, as an Independent Director of the Company for a period of 5 (five) years, post approval of the Members, with effect from 1st April, 2014. Shri Bhartia will complete his present term on 31st March, 2019.

The Board of Directors of the Company ('the Board') at the meeting held on 30th May, 2018, on the recommendation of the Nomination & Remuneration Committee, recommended for approval of the Members, the re-appointment of Shri Bhartia, as an Independent Director of the Company with effect from 1st April, 2019, post completion of his present term in March, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), or any amendment thereto or modification thereof.

The Board is of the view that the continued association of Shri Bhartia would benefit the Company, given the knowledge, experience and performance of Shri Bhartia, and contribution to Board process by him. Declaration has been received from Shri Bhartia that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations, 2015. In the opinion of the Board Shri Bhartia fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations,

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2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

Consent of the Members by way of Special Resolution is required for re-appointment of Shri Bhartia, in terms of Section 149 of the Act.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Shri Bhartia has been received by the Company, and consent has been filed by Shri Bhartia pursuant to Section 152 of the Act.

None of the Directors or Key Managerial Personnel or their relatives, except Shri Bhartia, being appointee, is interested financially or otherwise, in this **Special Resolution**.

The Board recommends this **Special Resolution** for your approval.

Item No. 8

Shri Rohit Banka is B.E. Tele Communication and MBA in Finance. He is young, energetic and dynamic Financial Consultant.

Shri Banka, aged about 29 years was appointed as an Additional Director of the Company at the Board Meeting held on 11th December, 2017 in terms of Section 161 of the Companies Act, 2013. He holds office upto the date of the ensuing Annual General Meeting of the Company.

The Board is of the view that the continued association of Shri Banka would benefit the Company, given the knowledge, experience and performance of Shri Banka, and contribution to Board process by him. Declaration has been received from Shri Banka that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board Shri Banka fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

Consent of the Members by way of **Special Resolution** is required for re-appointment of Shri Banka, in terms of Section 149 of the Act.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Shri Banka has been received by the Company, and consent has been filed by Shri Banka pursuant to Section 152 of the Act.

None of the Directors or Key Managerial Personnel or their relatives, except Shri Banka, being appointee, is interested financially or otherwise, in this **Special Resolution**.

The Board recommends this **Special Resolution** for your approval.

Item No. 9

Explanation to Regulation 23(1) of the Listing Regulations expressly provides that a transaction with a Related Party shall be considered Material if the transactions(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. The Company enters into various types of related party transactions and the aggregate value of transaction(s) will exceed the said threshold limit. Your Company had obtained approval of the Members, at the Annual

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General Meeting held on 27th September, 2014 for a period of consecutive 5(five) years which is valid upto the financial year 2018-19.

Hence, approval of the shareholders is being sought for the said Material Related Party Transaction(s) proposed to be entered into by your Company with various parties as enumerated in the resolutions in the next five years commencing from the financial years 2019-2020.

Disclosures as required under Clause 3(ii)(a)(iii) of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are given here below for perusal of members :

1. Name of related parties :

- (i) Vapi Investments Ltd.
- (ii) P. K. Business Enterprise Ltd.
- (iii) Excellent Dealers Ltd.
- (iv) Vanila Tracom Pvt. Ltd.
- (v) Woodstock Traders & Investors Pvt. Ltd.
- (vi) Aravali Niwas Pvt. Ltd.
- (vii) Devang Tradecom Pvt. Ltd.
- (viii) Softlink Merchants & Traders Pvt. Ltd.
- (ix) Smt. Vinita Ahmed
- (x) Smt. Smita Poddar
- (xi) Ms. Ashima Jain

2. Name of Director or Key Managerial Personnel who is related, if any :

Except Shri P. K. Kanoria, Smt. Smita Poddar, Shri Sanjay Hada, Shri V. K. Chaukhani and Shri S. K. Agarwal, no other Director or Key Managerial Personnel is related with above related parties.

3. Nature of relationship :

Sl. No.	Name of related parties	Nature of relationship
(i)	Vapi Investments Ltd.	Jute Purchase
(ii)	P. K. Business Enterprise Ltd.	Jute Purchase
(iii)	Excellent Dealers Ltd.	License Fee & Service Charge
(iv)	Vanila Tracom Pvt. Ltd.	Payment of Rent & Maintenance Charges
(v)	Woodstock Traders & Investors Pvt. Ltd.	Jute Purchase
(vi)	Aravali Niwas Pvt. Ltd.	Jute Purchase
(vii)	Devang Tradecom Pvt. Ltd.	Jute Purchase
(viii)	Softlink Merchants & Traders Pvt. Ltd.	Jute Purchase
(ix)	Smt. Vinita Ahmed	Payment of Rent
(x)	Smt. Smita Poddar	Payment of Rent
(xi)	Ms. Ashima Jain	Payment of Rent

4. Nature, material terms, monetary value and particulars of the contract or arrangement :

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Nature of transactions, period of the transactions and monetary value of the transactions are referred in the resolution set out in Resolution No. 9. All transactions would be carried out as part of the business requirement of the Company and are ensured to be on arm's length basis. Further the Company is also subject to the transfer pricing norms as prescribed under the Laws.

5. Any other information relevant or important for the members to take a decision on the proposed resolution :

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution. Interested Members would not be eligible to vote on the resolution set out at Item No. 9 of the accompanying notice in terms of Section 188 of the Companies Act, 2013.

The Board recommends the resolution for approval of the Members.

Item No. 10.

The Board of Directors, on recommendation of the Audit Committee, has approved the appointment of M/s. N. Radhakrishnan & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost accounts and cost records maintained by the Company in respect of its products for the financial year ended 31st March, 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board recommends the approval of the remuneration payable to M/s N. Radhakrishnan & Co., Cost Accountants for conducting the cost audit for the financial year ended 31st March, 2019 and passing of the Resolution set out at **Item No. 10** of the Notice

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested in the passing of the Resolutions.

Item No. 11

In order to augment financial resources, it is proposed that non-core and non-productive land, building and other assets may be sold, leased or otherwise disposed off at a consideration to be decided by the Board of the Company.

Your consent is required under the provisions of 180(1) (a) of the Act, to sell, lease or otherwise dispose off any of the moveable and / or immovable assets/properties and / or the whole or any part of your Company's plant/premises.

None of the Directors, Key Managerial Personnel and their relatives, are in any way, concerned or interested in the said resolutions. The resolution as set out in **Item Nos. 11** is accordingly recommended for the approval of the Members as **Special Resolution**.

By Order of the Board
For Reliance Jute Mills (International) Ltd.
S. K. Agarwal
President (Finance) &
Company Secretary

Kolkata, the 30th day of May, 2018

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

STATEMENT PURSUANT TO PROVISION TO SCHEDULE V [PART II SECTION II (B) (CLAUSE IV) OF THE COMPANIES ACT, 2013]

Item No. 3

I. GENERAL INFORMATION

- (1) Nature of Industry Jute Textile Industry
- (2) Date of commencement of commercial production The Mill of the Company is situated at Bhatpara, 24 Parganas (N), West Bengal started its Commercial Production in 1996
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus N. A.
- (4) Financial performance based on given indices The financial results of the last three years are as follows :
- | | <u>(Rs. in lacs)</u> | | |
|-------------|----------------------|----------------|----------------|
| Particulars | <u>2017-18</u> | <u>2016-17</u> | <u>2015-16</u> |
| Sales | 23899.93 | 23281.09 | 22760.07 |
| PBT | (55.49) | (587.99) | (575.31) |
| PAT | (55.49) | (587.99) | (575.31) |
- (5) Export Performance and Net Foreign Exchange Collection During the year 2017-18, Foreign Exchange Earnings were Rs.432.66 lacs and outgoings were Rs.261.89 lacs.
- (6) Foreign investments or collaborators, if any Nil

II INFORMATION ABOUT THE APPOINTEE

- (1) Background Details Shri Sanjay Hada has more than 28 years of vast experience in textile spinning, mini steel and Jute Industry. Presently, Shri Hada is working as Managing Director & CEO of Reliance Jute Mills (International) Ltd. w. e. f. 01.01.1999. Shri Hada has also served as Vice-Chairman of Indian Jute Industries Research Association (IJIRA). He is a member of the Executive Committee of Indian Jute Mills Association (IJMA) and has been member of Executive Committee of National Jute Board (NJB).
- (2) Past Remuneration (Amount in Rs.)
- | Period | Salary | Perqui
sites | Retiral
benefits | Total
Amount |
|---------|-----------|-----------------|---------------------|-----------------|
| 2017-18 | 72,00,000 | 7,20,000 | 1,00,000 | 80,20,000 |

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- | | | |
|-----|---|--|
| (3) | Recognition or awards | – |
| (4) | Job Profile and his suitability | Shri Sanjay Hada, Managing Director of the Company is responsible for production, purchase and resource management. He is responsible to improve the production and productivity of the Company. He is also involved in policy planning, vision & strategy and long term development activities of the Company. |
| (5) | Remuneration proposed | Rs. 6,00,000/- per month in the salary range of Rs.4,00,000/- to Rs.7,00,000/- per month with such increments as may be decided by the Board from time to time subject to ceiling of Rs.7,00,000/- per month or such higher amount of ceiling to which Managing Director & CEO may be entitled as per Schedule V of the Companies Act, 2013 or under any other applicable provisions of the said Act. |
| (6) | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin). | The executive remuneration in the industry is on the rise. Appreciating this, the Central Government has also from time to time raised the ceiling specified in Schedule V dealing with the remuneration of managerial person. The ‘Nomination and Remuneration Committee’ constituted by the Board peruses the remuneration of the managerial persons in the Jute Industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri Sanjay Hada and considered that the remuneration package as very reasonable. |
| (7) | Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any | Apart from the remuneration proposed, Shri Sanjay Hada doesn’t have any pecuniary relationship with the Company. Shri P. K. Kanoria, Chairman and Smt. Smita Poddar, Director of the Company is relative of Shri Sanjay Hada. |

III OTHER INFORMATION

- | | | |
|-----|---------------------------------------|---|
| (1) | Reasons of loss or inadequate profits | During the Financial Year ended 31st March, 2018 the performance of the Company was better as compared to previous Financial Year but it fell short of adequate profits for payment of managerial remuneration under Section 197 and Schedule V of the Companies Act, 2013. The main reasons for loss/inadequacy of profit were high labour cost, borrowing cost, business condition in global markets and cost of other inputs for the industry. |
|-----|---------------------------------------|---|

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

- | | |
|---|--|
| (2) Steps taken or proposed to be taken for improvement | The Company has taken several steps to reduce the cost of production and other operational expenses to improve the profit. Further, steps have been taken for fast renovation of the existing machineries. |
| (3) Expected increase in productivity and profits in measurable terms | The Company expects that the financial health of the Company will improve gradually. |

IV DISCLOSURES

- | | |
|--|---|
| (1) Remuneration Package | The detail remuneration package has been mentioned in Resolution No. 3 of the AGM Notice. |
| (2) Details of Fixed Component and performance linked incentives along with the performance criteria | All component of the remuneration package are fixed. No performance linked incentive to be given. |
| (3) Service Contracts. Notice Period, Severance fees, etc. | For 5 (five) years. Notice period-30 days. |
| (4) Stock Option Details, if any | N.A. |

Item No. 4

I. GENERAL INFORMATION

- | (1) Nature of Industry | Jute Textile Industry | | | | | | | | | | | | | | | | |
|---|--|-------------|----------|---------|---------|-------|----------|----------|----------|-----|---------|----------|----------|-----|---------|----------|----------|
| (2) Date of commencement of commercial production | The Mill of the Company is situated at Bhatpara, 24 Parganas (N), West Bengal started its Commercial Production in 1996 | | | | | | | | | | | | | | | | |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | N. A. | | | | | | | | | | | | | | | | |
| (4) Financial performance based on given indices | <p>The financial results of the last three years are as follows :</p> <p style="text-align: right;">(Rs. in lacs)</p> <table border="0" style="width: 100%;"><thead><tr><th style="text-align: left;">Particulars</th><th style="text-align: right;">2017-18</th><th style="text-align: right;">2016-17</th><th style="text-align: right;">2015-16</th></tr></thead><tbody><tr><td>Sales</td><td style="text-align: right;">23899.93</td><td style="text-align: right;">23281.09</td><td style="text-align: right;">22760.07</td></tr><tr><td>PBT</td><td style="text-align: right;">(55.49)</td><td style="text-align: right;">(587.99)</td><td style="text-align: right;">(575.31)</td></tr><tr><td>PAT</td><td style="text-align: right;">(55.49)</td><td style="text-align: right;">(587.99)</td><td style="text-align: right;">(575.31)</td></tr></tbody></table> | Particulars | 2017-18 | 2016-17 | 2015-16 | Sales | 23899.93 | 23281.09 | 22760.07 | PBT | (55.49) | (587.99) | (575.31) | PAT | (55.49) | (587.99) | (575.31) |
| Particulars | 2017-18 | 2016-17 | 2015-16 | | | | | | | | | | | | | | |
| Sales | 23899.93 | 23281.09 | 22760.07 | | | | | | | | | | | | | | |
| PBT | (55.49) | (587.99) | (575.31) | | | | | | | | | | | | | | |
| PAT | (55.49) | (587.99) | (575.31) | | | | | | | | | | | | | | |
| (5) Export Performance and Net Foreign Exchange Collection | During the year 2017-18, Foreign Exchange Earnings were Rs.432.66 lacs and outgoings were Rs.261.89 lacs. | | | | | | | | | | | | | | | | |
| (6) Foreign investments or collaborators, if any | Nil | | | | | | | | | | | | | | | | |

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

II INFORMATION ABOUT THE APPOINTEE

- | (1) Background Details | Shri Vijendra Kumar Chaukhani, aged about 68 years (holding DIN 00309895) is a Commerce Graduate. He has been associated with the Company for the last several years in his capacity as Whole-time Director. | | | | | | | | | | |
|---|--|-----------------|---------------------|-----------------|---------------------|-----------------|---------|-----------|----------|----------|-----------|
| (2) Past Remuneration | (Amount in Rs.) | | | | | | | | | | |
| | <table border="0" style="width: 100%;"> <tr> <th style="text-align: left;">Period</th> <th style="text-align: left;">Salary</th> <th style="text-align: left;">Perqui
sites</th> <th style="text-align: left;">Retiral
benefits</th> <th style="text-align: left;">Total
Amount</th> </tr> <tr> <td>2017-18</td> <td>15,79,245</td> <td>7,07,064</td> <td>1,00,000</td> <td>23,86,309</td> </tr> </table> | Period | Salary | Perqui
sites | Retiral
benefits | Total
Amount | 2017-18 | 15,79,245 | 7,07,064 | 1,00,000 | 23,86,309 |
| Period | Salary | Perqui
sites | Retiral
benefits | Total
Amount | | | | | | | |
| 2017-18 | 15,79,245 | 7,07,064 | 1,00,000 | 23,86,309 | | | | | | | |
| (3) Recognition or awards | — | | | | | | | | | | |
| (4) Job Profile and his suitability | Shri Vijendra Kumar Chaukhani is Whole-time Director of the Company. He has vast experience of marketing of the Company's products. He is responsible for framing policy and planning in respect of marketing activities of the Company. | | | | | | | | | | |
| (5) Remuneration proposed | Rs. 1,35,200/- per month or such other sum as would be determined by the Chairman from time to time. | | | | | | | | | | |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin). | The executive remuneration in the industry is on the rise. Appreciating this, the Central Government has also from time to time raised the ceiling specified in Schedule V dealing with the remuneration of managerial person. The 'Nomination and Remuneration Committee' constituted by the Board peruses the remuneration of the managerial persons in the Jute Industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri Chaukhani and considered that the remuneration package as very reasonable. | | | | | | | | | | |
| (7) Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any | Apart from the remuneration proposed, Shri Chaukhani doesn't have any pecuniary relationship with the Company. | | | | | | | | | | |

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

III OTHER INFORMATION

- | | |
|---|---|
| (1) Reasons of loss or inadequate profits | During the Financial Year ended 31st March, 2018 the performance of the Company was better as compared to previous Financial Year but it fell short of adequate profits for payment of managerial remuneration under Section 197 and Schedule V of the Companies Act, 2013. The main reasons for loss/inadequacy of profit were high labour cost, borrowing cost, business condition in global markets and cost of other inputs for the industry. |
| (2) Steps taken or proposed to be taken for improvement | The Company has taken several steps to reduce the cost of production and other operational expenses to improve the profit. Further, steps have been taken for fast renovation of the existing machineries. |
| (3) Expected increase in productivity and profits in measurable terms | The Company expects that the financial health of the Company will improve gradually. |

IV DISCLOSURES

- | | |
|--|---|
| (1) Remuneration Package | The detail remuneration package has been mentioned in Resolution No. 4 of the AGM Notice. |
| (2) Details of Fixed Component and performance linked incentives along with the performance criteria | All component of the remuneration package are fixed. No performance linked incentive to be given. |
| (3) Service Contracts. Notice Period, Severance fees, etc. | For 2 (two) years. Notice period-30 days. |
| (4) Stock Option Details, if any | N.A. |

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Board's Report to the Members

Dear Members,

Your Directors have pleasure in presenting the 22nd Annual Report covering the operational and financial performance of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2018.

FINANCIAL SUMMARY

Particulars	(Rs. in Lacs)	
	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from operations	23,752.00	23,221.51
Other Income	147.93	59.58
Total	23,899.93	23,281.09
Profit/(Loss) before Taxation	(55.49)	(587.99)
Provision for Taxation	—	—
Profit/(Loss) for the year	(55.49)	(587.99)
Other Comprehensive Income / (Loss) (net of tax)	171.85	162.68
Total Comprehensive Income	116.36	(425.31)

Your Company has prepared the Financial Statements for the financial year ended 31st March, 2018 under Section 129, 133 and Schedule II to the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The financial statements for the year ended 31st March, 2017 have been restated in accordance with Indian Accounting Standards for comparative information. For the purposes of transition to Indian Accounting Standards, the Company has followed the guidance prescribed in IND AS 101 “First time adoption of Indian Accounting Standards” with 1st April, 2016 as transition date.

OPERATIONS AND STATE OF COMPANY'S AFFAIRS

During the year under review the performance of the Company was better as compared to the previous financial year. Production and sales turnover were 33,486 MT and Rs.23,752.00 lacs as compared to 28,310 MT and Rs.23,221.51 lacs during the previous financial year. During the year under review there was noticeable improvement in the working of the Company. The production was higher than the previous year. The turnover was also higher. This was because the management took effective steps for improving machine productivity. The Company also installed Adelphi Branch Chinese Flexible Automatic Rapier Looms and 4 ¾” Spinning Machine of 120 spindles Bauxter Flyer at the end of the last year which helped in achieving higher productivity.

A program was also undertaken for fast renovation of the existing machineries. During the current year the Company is hopeful of achieving better results.

The Company is expanding production of Jute Geo Textiles and Soil Saver which has a bright future.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) **Industry structure and developments :**

Jute Industry dates back about one and half century in India and its importance lies in its long life. India is a country of farmers and a large number of farmers and workers depend on this industry for their livelihood. The Government understands the importance of this industry and that is why it has been taking steps to protect this industry including extension of the mandatory packaging norms, promotion of jute diversified products like jute geo textiles, soil saver, etc.

Under the Jute Packaging Materials (Compulsory Use in Packing Commodities) [JPM Act], 1987, the Government specifies the commodities and the extent they are mandatorily required to be packed. At present, a minimum of 90% food grains and 20% of sugar are to be compulsorily packed in jute sacking.

The National Jute Board implements various schemes for market development, worker's welfare and promotion of diversification and exports.

b) **Opportunity and Threats /Risks and Concerns**

There are opportunities for growth in Industry because the Government has seized of the industry difficulty. The Government has imposed anti-dumping duty on import from Bangladesh and Nepal. The National Jute Board provide subsidy for replacement of old machineries with modern machineries. Steps taken by the Govt. of India to assist the jute mills to upgrade old/ obsolete machineries and to promote jute diversified products jute geo textiles and soil saver will provide opportunity to increase market for jute goods.

The following areas of risks and concerns continue to pose threat to Jute Industry.

- ✓ The jute industry is under threat for partial dilution of the mandatory jute packaging order.
- ✓ Cut throat competition from Bangladesh in export market which continues to enjoy benefits in the form of lower costs and government subsidies.
- ✓ Increase in wage cost without linking to productivity which constitutes high proportion of production costs in a labour intensive industry.
- ✓ Heavy shortage of workers resulting in lower capacity utilization in the Mills.

c) **Segment-wise or Product-wise Performance**

Jute goods remain the Company's only area of business in the year under review, hence requires no disclosure under AS 17 in respect of business segment.

d) **Outlook**

Cultivation of jute crop during the current season seems to be lower than previous year. Therefore, the raw jute prices are expected to be on higher side than the previous year due to lower availability of jute in the next jute crop season.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Demand for packaging of food grain will continue to be good. Government Orders are expected to remain regular and despite, several constraints, the outlook appears to be satisfactory.

e) Internal control system and their adequacy

The Company has an adequate system of internal control which not only ensures proper and timely recording and reporting of transactions but also provide avenue for exercising effective safe guards over Company's assets. For this purpose, the Company has appointed independent Internal Auditors. Observations of internal auditor are circulated to senior management for their perusal and necessary action. Corrective actions are taken as per requirements. In consultation with Internal Auditor, the Audit Committee formulates the scope, functioning, periodicity and methodology for conducting the internal audit.

f) Discussion on Financial Performance with respect to operational Performance

During the year under review, overall performance of the Company was better than previous year.

g) Material Development in Human Resources/Industrial Relations front, including number of people employed

Industrial relations remained more or less cordial during the year under review.

The Company provides benefits and facilities to deserving staffs. Workers employed at new scale are imparted with in-house training to bring all round improvement in their working knowledge and skill.

Collective participation is encouraged at all level and workers are given incentive for good performance. Labour issues are mostly addressed by negotiations and conciliation.

h) Cautionary Statement

Statement made above in this section of the report with regard to future outlook and performance is on the basis of prevailing industry scenario and market conditions as envisaged by us. Actual results may differ materially from those expressed in the statement.

SHARE CAPITAL

The Authorised Share Capital of the Company as on 31st March, 2018 stands at Rs.13,01,00,000/- divided into 30,10,000 equity shares of Rs.10/- each and 10,00,000 6% Redeemable Cumulative Preference Shares of Rs.100/- each. The Issued, Subscribed and Paid-up Share Capital of the Company is Rs.7,58,94,900/- divided into 25,89,490 equity shares of Rs. 10/- each and 5,00,000 6% Redeemable Cumulative Preference Shares of Rs.100/- each.

DIVIDEND

Your Directors don't recommend dividend on equity shares.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

GENERAL RESERVE

The Company has not transferred any amount to the General Reserve during the financial year ended 31st March, 2018.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN END OF THE FINANCIAL YEAR AND DATE OF REPORT

Subsequent to the end of the financial year on 31st March, 2018 till date, there has been no material change and/or commitment which may affect the financial position of the Company.

CREDIT RATING

During the year under review, CARE Ratings Ltd. (formerly The Credit Analysis & Research Ltd.) has reaffirmed the Credit Rating BB– for Fund Based Facilities of the Company.

DIRECTORS

Your Company's Board is duly constituted and is in compliance with the requirements of the Companies Act, 2013, the Listing Regulations and provisions of the Articles of Association of the Company.

Executive Chairman

Shri Pawan Kumar Kanoria, (holding DIN: 00305297) was re-appointed as Executive Chairman of the Company for a further period of 5 (five) years with effect from 1st April, 2017.

Managing Director

Shri Sanjay Hada, (holding DIN: 00305476) was re-appointed as Managing Director of the Company for a period of 5 (five) years with effect from 1st January, 2014. The present term of his appointment as Managing Director and CEO will be completed on 31st December, 2018.

Shri Sanjay Hada (holding DIN: 00305476) has been re-appointed as Managing Director and CEO of the Company by the Board of Directors for a period of 5(five) years with effect from 1st January, 2019 subject to approval of the Members at the forthcoming Annual General Meeting.

Whole-Time Director

Shri Vijendra Kumar Chaukhani, (holding DIN: 00309895) was re-appointed as Whole-time Director of the Company for a period of 2 years with effect from 1st August, 2016 whose period of office is liable to determination by retirement of directors by rotation.

Shri Vijendra Kumar Chaukhani, (holding DIN: 00309895) has been re-appointed as Whole-time Director of the Company by the Board of Directors for a period of 2 (two) years with effect from 1st August, 2018 subject to approval of the Members at the forthcoming Annual General Meeting whose period of office shall be liable to determination by retirement of directors by rotation.

Non-Executive Director

Smt. Smita Poddar (holding DIN: 01204391), Non-Executive Director is due to retire by rotation at the

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment. Your Board recommends re-appointment of Smt. Smita Poddar as a Director of the Company, liable to retire by rotation.

Independent Directors

The present term of office of all the Independent Directors of the Company, namely, Dr. Pranab Kumar Mookerjee (DIN: 00110648), Shri Pradeep Kumar Jain (DIN: 00372338) and Shri Piyush Bhartia (DIN: 00154138) is due to expire on 31st March, 2019.

Based on the recommendation of Nomination and Remuneration Committee and performance report of the Independent Directors, the Board of Directors at its meeting held on 30th May, 2018, decided to re-appoint Dr. Pranab Kumar Mookerjee (DIN: 00110648), Shri Pradeep Kumar Jain (DIN: 00372338) and Shri Piyush Bhartia (DIN: 00154138) as independent directors of the Company for a second term of five consecutive years to hold office from 1st April, 2019 to 31st March, 2024 on the same terms and conditions subject to approval of the members at the ensuing Annual General Meeting.

During the year under review, Shri Rohit Banka (DIN: 07521286) was appointed as an Additional Director in the category of Non-Executive Independent Director with effect from 11th December, 2017. He holds the office of his Directorship upto ensuing Annual General Meeting. In the opinion of the Board Shri Banka fulfils the conditions specified in the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for re-appointment as an Independent Director. As such he is eligible for re-appointment at the ensuing Annual General Meeting.

Brief details of Directors seeking re-appointment have been given in the notice convening the Annual General Meeting. All the Independent Directors have declared that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Nomination and Remuneration Committee (NRC) of the Board have devised the criteria for evaluation of the Independent Directors, the Board and its Committees. The Board has carried out annual evaluation of its own performance and that of its Committees and individual Directors. More details on the same are given in Corporate Governance Report.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTORS AND OTHER MATTERS

Pursuant to the requirements of Section 178(3) of the Companies Act, 2013 and Regulation 19(4) read with Para A, Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee review the composition and diversity

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

of the Board and identify persons who are qualified to become directors in accordance with the criteria laid down by the Board of Directors of the Company. Nomination and Remuneration Committee recommend to the Board about the appointment /re-appointment of eligible candidates including their terms of appointment and remuneration. The remuneration policy including criteria for determining qualifications, positive attributes, independence of a director have been disclosed in the report on Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sec.134(3)(c) and 134(5) of the Companies Act, 2013 and to the best of their knowledge and belief and according to information and explanation received from the day to day operating management, your directors state that :

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors met 4 (four) times during the year under review. More details are available in the Corporate Governance Report.

KEY MANAGERIAL PERSONEL

There was no change in Key Managerial Personnel (KMP) during the year under review.

CORPORATE GOVERNANCE

The Corporate Governance Report and certificate from M/s. N. K. & Associates, Practicing Company Secretaries, certifying compliance of conditions of Corporate Governance as required under Regulation 34(3) read with Point C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as Annexure – I which forms part of this report.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

AUDIT AND AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013 read with provisions of the Companies (Audit and Auditors) Rules, 2014, as amended, M/s. Jitendra K Agarwal & Associates, (ICAI Firm Registration No. 318086E), Chartered Accountants, was appointed as the auditors of the Company for a consecutive period of 5(five) years from conclusion of the 21st Annual General Meeting held in the year 2017 until the conclusion of the 26th Annual General Meeting to be held in 2022.

The Members may note that consequent to the changes made in the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 by the Ministry of Corporate Affairs (MCA) vide notification dated 7th May, 2018, the proviso to Section 139(1) of the Companies Act, 2013 read with explanation to sub-rule 7 of Rule 3 of the Companies (Audit and Auditors) Rules, 2014, the requirement of ratification of appointment of Auditors by the Members at every Annual General Meeting has been done away with. Therefore, the Company is not seeking any ratification of appointment of M/s. Jitendra K Agarwal & Associates, (ICAI Firm Registration No. 318086E), Chartered Accountants, as the Auditors of the Company, by the Members at the ensuing Annual General Meeting.

SECRETARIAL AUDITOR

In terms of the provisions of Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company at its meeting held on 14th September, 2017 appointed M/s. N. K. & Associates, Company Secretaries, as the Secretarial Auditor of the Company, to conduct the Secretarial Audit for the financial year ended 31st March, 2018 and to submit Secretarial Audit Report in Form No. MR-3.

QUALIFICATION, RESERVATION OR ADVERSE REMARK IN THE AUDITOR'S REPORTS AND SECRETARIAL AUDIT REPORT

There are no qualifications, reservations or adverse remarks made by M/s. Jitendra K Agarwal & Associates, Statutory Auditors in their report for the financial year ended 31st March, 2018. Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

A copy of the Secretarial Audit Report received from M/s. N. K. & Associates in the prescribed Form No. MR-3 is annexed to this Board's Report and marked as Annexure – II. There are no qualifications or observations or remarks made by the Secretarial Auditor in the Report.

COST AUDITORS

In terms of Section 148(3) of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, on the recommendation of Audit Committee the Board of Directors has appointed M/s N. Radhakrishnan & Co., Cost Accountants (Registration No. 000056), being eligible and having sought re-appointment, as Cost Auditor of the Company, for a remuneration of Rs. 30,000/- plus applicable taxes and re-imbursement of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2018 and ending on 31st March 2019 as required in terms of the Companies (Cost Records and Audit) Amendment Rules, 2015.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

As required under Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is being placed at the ensuing Annual General Meeting for ratification by the Members. M/s N. Radhakrishnan & Co., Cost Accountants have furnished a declaration as required under Section 141(3)(g) read with Section 148(3) and 148(5) of the Companies Act, 2013.

As per the Companies (Cost Audit Report) Rules, 2011, the due date for filing the Cost Audit Report for the previous financial year ended 31st March, 2017 with the Central Government was 30th September, 2017 and the said report was filed by the Cost Auditor within the due date.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT-9 of the Company as on 31st March, 2018 as provided under sub-section 3 of Section 92 and 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is, annexed to this Board's Report marked as Annexure – III forming part of this report.

SIGNIFICANT AND MATERIAL LITIGATIONS/ORDERS

During the year under review, there were no significant material orders passed by the Regulators/Courts and no litigation was outstanding as on 31st March, 2018, which would impact the going concern status and future operations of your Company. The details of litigation on tax matters are disclosed in the Auditor's Report and Financial Statements which forms part of this Annual Report.

DEPOSITS

The Company has not accepted any deposits from the public, and as such, there are no outstanding deposits in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

DISCLOSURE

Following disclosures are made under the Companies (Accounts) Rules, 2014:

- (i) The financial summary or highlights are discussed at the beginning of this report;
- (ii) There is no change in the nature of business;
- (iii) There is no company which has become or ceased to be the Company's subsidiary, joint venture or associate company during the year.
- (iv) No significant and material order was passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans and investments made by the Company have been disclosed in the Note No. 6, 7 and 8 to the Financial Statements.

AUDIT COMMITTEE

The Board of Directors of the Company has a duly constituted Audit Committee in terms of the provisions

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. The term of reference of the Audit Committee has been approved by the Board of Directors. Composition of Audit Committee, number of meetings held during the year under review, brief terms of reference and other requisite details have been provided in the Corporate Governance Report which forms part of this Annual Report. Recommendations made by the Audit Committee are accepted by the Board.

RISK MANAGEMENT AND ADEQUACY OF INTERNAL FINANCIAL CONTROL

The Company's internal financial control ensures that all assets of the Company are safeguarded and protected, proper prevention and detection of frauds and errors and all transactions are authorized, recorded and reported appropriately. The Company has an adequate system of internal controls commensurate with its size and scale of operation, procedures and policies, ensuring orderly efficient conduct of its business.

The Board is of the opinion that the Internal Financial Controls, affecting the Financial Statements of the Company are adequate and are operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

Although the Company doesn't qualify for mandatorily formulation and adoption of Corporate Social Responsibility Policy under the provisions of the Companies Act, 2013 and the Rules framed thereunder, it takes CSR programmes which benefit the Communities.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is committed to provide a safe and secure environment to its women employees as they are considered as integral and important part of the Organization. The Company has been conducting awareness programme in its manufacturing unit and office premises to encourage its employees to be more responsible and alert while discharging their duties.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year ended 31st March, 2018, all transactions with the Related Parties as defined under the Companies Act, 2013 read with Rules framed thereunder were in the ordinary course of business and at arm's length basis. Thus, disclosure in Form AOC-2 is not required. Necessary disclosures required under Ind AS 24 have been made in Note No. 40 of the Notes to the Financial Statements for the year ended 31st March, 2018.

No materially significant related party transactions was made by the Company with its promoters, directors or key managerial personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. All related party transactions were placed before the Audit Committee for approval on a quarterly basis. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature.

SUBSIDIARIES

The Company doesn't have any subsidiary Company.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

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

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Sec. 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure– IV and forms part of this Board' Report.

PARTICULARS OF EMPLOYEES

Disclosure in terms of provisions of Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and subsequent amendments thereto has been made in Annexure – V forming part of this Report.

ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism / whistle blower policy. The policy allows intimation of concern or misconduct made in good faith by affected persons through a written communication. Audit Committee oversees the vigil mechanism for disposal of the complaint. Direct access to the Chairperson of the Audit Committee is also allowed in exceptional cases. The vigil mechanism/whistle blower policy is available on Company's website www.reliancejute.com.

CAUTIONARY STATEMENT

There are Statements which have been made in the Management Discussion and Analysis Report describing the estimates, expectations or predictions, may be read as 'forward-looking statements' within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed or implied. The important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in Government Policies, Government Laws, Tax Regimes, global economic developments and other factors such as litigation and labour negotiations.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

ACKNOWLEDGEMENTS

Your Directors record their sincere appreciation of the dedication and commitment of all employees at all levels in achieving and sustaining excellence in all areas of the business. Your Directors thank shareholders, customers, suppliers, bankers and other stakeholders for their continuous support to the Company.

For and on behalf of the Board

P. K. KANORIA

Chairman

(DIN:00305297)

Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, the 30th day of May, 2018

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, “Listing Regulations”]

1. Company’ Philosophy on Code of Governance

Reliance Jute Mills (International) Ltd. firmly believes in the implementation of best practices of corporate governance so that the company could achieve its corporate goals and further enhance stakeholders’ value. It has been its endeavour to attach a great deal of importance on ensuring fairness, transparency, accountability and responsibility towards all stakeholders, besides consistently implementing the best possible practices by providing optimum level of information and benefits to all the stakeholders.

2. Board of Directors

a. Composition and Category of Directors

The Board of Directors (the Board) consists of 8 (eight) Directors of which there are four Non-Executive Independent Directors, one is Executive Director belonging to promoter group (Executive Chairman), one Executive Director (Managing Director & CEO) and one Executive Director (Whole-time Director) and one Non-Executive Woman Director belonging to promoter group.

No director is, inter-se, related to any other director on the Board, except Shri Pawan Kumar Kanoria (Executive Chairman), Shri Sanjay Hada, Managing Director & CEO and Smt. Smita Poddar, Director of the Company.

b. Details of Directors

Shri Pawan Kumar Kanoria was re-appointed as Executive Chairman of the Company w.e.f. 1st April, 2017 for a period of 5 (five) years. He is vested with powers of overall management of the affairs of the Company subject to the superintendence and guidance of the Board of Directors. He is also involved in policy planning, vision & strategy and long term development activities of the Company, besides Corporate Governance and Board co-ordination. He is the Chairman of the Board of Directors of the Company.

Shri Sanjay Hada, was re-appointed as Managing Director of the Company for a period of 5(five) years with effect from 1st January, 2014. The present term of his appointment as Managing Director and CEO will be completed on 31st December, 2018. He has been re-appointed as Managing Director and CEO of the Company by the Board of Directors for a period of 5(five) years with effect from 1st January, 2019 subject to approval of the Members at the forthcoming Annual General Meeting. His re-appointment proposal has been incorporated in the item of agenda of the notice convening the Annual General Meeting. He

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is responsible for production, purchase and resource management. He is also responsible for and involved in improving the production and productivity, policy planning, vision & strategy and long term development activities of the Company.

Shri Vijendra Kumar Chaukhani was re-appointed as Whole-time Director of the Company for a period of 2(two) years with effect from 1st August, 2016. The present term of his appointment comes to an end on 31st July, 2018. The Board of Directors of the Company at its meeting held on 30th May, 2018, has re-appointed him for a further period of 2(two) years subject to approval by the Members of the Company at the ensuing Annual General Meeting. His re-appointment proposal has been incorporated in the item of agenda of the notice convening the Annual General Meeting. He is responsible for overall marketing work of the Company.

Shri Rohit Banka was appointed by the Board of Directors of the Company at its meeting held on 11th December, 2017 as an Additional Director in the category of Non-Executive Independent Director. He holds his office upto the forthcoming Annual General Meeting. His re-appointment proposal has been incorporated in the item of agenda of the notice convening the Annual General Meeting.

Dr. Pranab Kumar Mookerjee, Shri Pradeep Kumar Jain and Shri Piyush Bhartia were appointed as an Independent Directors of the Company at the 18th Annual General Meeting of the Company held on 27th September, 2014 for a period of 5(five) years with effect from 1st April, 2014. The term of their appointments will come to end on 31st March, 2019. The Board of Directors of the Company at its meeting held on 30th May, 2018 has re-appointed Dr. Pranab Kumar Mookerjee, Shri Pradeep Kumar Jain and Shri Piyush Bhartia for a second term of 5(five) years with effect from 1st April, 2019 subject to approval of the Members at the ensuing Annual General Meeting. Their re-appointment proposal has been incorporated in the item of agenda of the notice convening the Annual General Meeting.

All Independent Directors have confirmed that they have complied with the Code for Independent Directors mentioned in Schedule IV of the Companies Act, 2013 and that they are not disqualified to act as an Independent Director in compliance with the provisions of Sec. 149 of the Companies Act, 2013.

In compliance with Regulation 36(3) of the Listing Regulations read with the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICISI), the required information about the Directors proposed to be appointed /re-appointed has been annexed to the Notice convening the 22nd Annual General Meeting.

c. Declaration on compliance with Code of Conduct

All Directors and Senior Management have adhered to the Code of Conduct of the Company during the year and have signed declarations of compliance to the Code of Conduct. The declaration signed by Shri Sanjay Hada, Managing Director & CEO affirming the compliance of the Code of Conduct by the Board Members and Senior Management is given separately in the Annual Report.

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d. Shareholding of Directors and Key Managerial Personnel

As on 31st March, 2018 following shares of the Company were held by Directors and Key Managerial Personnel of the Company :

Name	Designation	No. of shares held as on 31.03.2018
Shri Pawan Kumar Kanoria	Executive Chairman	6,22,766
Smt. Smita Poddar	Non-Executive Director	96,400
Dr. Pranab Kumar Mookerjee	Independent Director	1,126
Shri Vijendra Kumar Chaukhani	Whole-time Director	20
Shri Shiv Kumar Agarwal	President (Finance) & Company Secretary	50

e. Board Meetings, Annual General Meeting and Attendance

During the financial year ended 31st March, 2018, four Board Meetings were held on 30th May, 2017, 14th September, 2017, 11th December, 2017 and 9th February, 2018.

Maximum time gap between two meetings was less than 120 days. In terms of Schedule V of the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 31st March, 2018 which was attended by all Independent Directors.

The Attendance of the Directors at the Board meetings and the Annual General Meeting and remuneration paid to them for attending the Board meetings is given below :

Name of Directors	No. of Meetings		Fees Paid Rs.	Attendance at last AGM held on 14.09.2017
	Held	Attended		
Shri Pawan Kumar Kanoria	4	4	Nil	Yes
Shri Sanjay Hada	4	4	Nil	Yes
Smt. Smita Poddar	4	1	3,000	No
Shri Vijendra Kumar Chaukhani	4	4	Nil	Yes
Dr. Pranab Kumar Mookerjee	4	4	12,000	Yes
Shri Pradeep Kumar Jain	4	4	12,000	Yes
Shri Piyush Bhartia	4	4	12,000	Yes
Shri Rohit Banka*	4	1	3,000	No.

*Appointed as an Additional Director with effect from 11th December, 2017.

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The Company Secretary is the Secretary of the Board of Directors and attended all meetings of the Board of Directors.

f. Board Committee

The Board of Directors had already constituted the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee in compliance with the requirements of the Companies Act, 2013 and Corporate Governance requirements under Listing Regulations.

The composition, terms of reference, attendance and other details of these Committees are mentioned later in this Report.

g. Directorships and Committee membership in other Companies

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Independent Directors don't serve in more than 7 listed companies.

Directorships and membership of Committees in other Companies held by Directors as on 31st March, 2018 are given below :

Name of Directors	No. of other Directorships	No. of other Committees* Chairmanships/Memberships	
		Chairman	Member
Shri Pawan Kumar Kanoria	6	–	–
Shri Sanjay Hada	18	–	1
Shri Vijendra Kumar Chaukhani	–	–	1
Dr. Pranab Kumar Mookerjee	3	2	1
Shri Pradeep Kumar Jain	1	1	2
Shri Piyush Bhartia	7	–	2
Smt. Smita Poddar	2	–	–

*Only Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are considered.

3. Audit Committee

a) Constitution and Composition

The details of composition of the Audit Committee under the provisions of Sec. 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations are as under :

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Name of Directors	Designation	Category
Shri Pradeep Kumar Jain	Chairman	Independent Director
Shri Sanjay Hada	Member	Executive Director
Dr. Pranab Kumar Mookerjee	Member	Independent Director
Shri Piyush Bhartia*	Member	Independent Director

*Appointed as a Member of the Audit Committee with effect from 14th September, 2017.

b) Terms of Reference

The role and terms of reference of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and as specified under Part C of Schedule II of the Listing Regulations. The role of the Audit Committee includes the following :

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, annual financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.);
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

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- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit.

In addition, the Audit Committee also mandatorily reviews the following :

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letter/letters of internal control weaknesses, if any, issued by the Statutory Auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of Internal Auditor.

c) Internal Audit

The Internal Auditor appointed by the Company conducts the internal audit and submit its report to the Audit Committee on half-yearly basis.

d) Meetings and attendance

During the financial year 4 meetings of the Audit Committee were held on 30th May, 2017, 14th September, 2017, 11th December, 2017 and 9th February, 2018. The Attendance of the Directors at these Audit Committee meetings and remuneration paid to them is given below :

Name of Directors	No. of Meetings		Fees Paid Rs.
	Held	Attended	
Shri Pradeep Kumar Jain	4	4	2,500
Shri Sanjay Hada	4	4	—
Dr. Pranab Kumar Mookerjee	4	4	2,500
Shri Piyush Bhartia*	4	2	1,500

*Appointed as a Member of the Audit Committee with effect from 14th September, 2017.

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Representative of the Statutory Auditors was invited to the meeting of the Audit Committee. Minutes of the Audit Committee are placed before the Board meeting for noting. The Chairman of the Audit Committee was present at the last Annual General Meeting. The Company Secretary acts as the Secretary of the Audit Committee meeting and accordingly, Shri Shiv Kumar Agarwal, President (Finance) & Company Secretary, had attended all these meetings.

4. Nomination and Remuneration Committee

a) Constitution and Composition

The details of composition of Nomination and Remuneration Committee pursuant to the provisions of Sec. 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations are as under :

Name of Directors	Designation	Category
Shri Pradeep Kumar Jain	Member	Independent Director
Dr. Pranab Kumar Mookerjee	Member	Independent Director
Shri Piyush Bhartia	Member	Independent Director

Terms of Reference

The role and terms of reference of the Nomination and Remuneration Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Rules framed thereunder read with Regulation 19 and as specified under Part D(A) of Schedule II of the Listing Regulations. The role of the Nomination and Remuneration Committee includes the following :

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.

b) Attendance

During the financial year ended 31st March, 2018, 1(one) meeting of the Nomination and Remuneration Committee was held on 30th May, 2017. The Attendance of Directors at this Committee meeting and remuneration paid to them are given below :

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Name of Directors	No. of Meetings		Fees Paid
	Held	Attended	Rs.
Shri Pradeep Kumar Jain	1	1	500
Dr. Pranab Kumar Mookerjee	1	1	500
Shri Piyush Bhartia	1	1	500

Performance Evaluation of the Board, Committee and Directors

The Company understands the requirements of an effective Board Evaluation process and accordingly conducts a Performance Evaluation every year in respect of the following :

- Board of Directors as a whole
- Committee of the Board of Directors
- Individual Directors including the Chairman of the Board of Directors

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013, the Listing Regulations and the Guidance Note on Board Evaluation issued by SEBI in January, 2017, the Company has carried out a performance Evaluation for the Board/ Committees of the Board/Individual Directors including the Chairman of the Board of Directors for the financial year ended 31st March, 2018.

c) Remuneration Policy

The Remuneration Policy is available on the Company's website www.reliancejute.com

5. Remuneration to Directors

- Non-Executive Directors are entitled to sitting fees for every meeting of the Board or Committee thereof attended by them. They are also entitled to commission not exceeding 1% of the net profits of the Company. The Chairman, Managing Director & CEO and Whole-time Director don't receive sitting fees for attending the meetings of the Board or any Committee thereof.
- Details of remuneration paid to Non-Executive Directors**

Total Remuneration paid to Non-Executive Directors for attending meetings of the Board and Committees during the year ended 31st March, 2018 is given below :

Name of Directors	Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. Pranab Kumar Mookerjee	15,000	—	15,000
Shri Pradeep Kumar Jain	15,000	—	15,000
Shri Piyush Bhartia	14,000	—	14,000
Smt. Smita Poddar	3,000	—	3,000
Shri Rohit Banka	3,000	—	3,000

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c) Details of remuneration paid to Executive Directors

Particulars	Shri P. K. Kanoria (Rs.)	Shri S. Hada (Rs.)	Shri V. K. Chaukhani (Rs.)
Salary and Allowances	84,00,000	72,00,000	21,28,384
Cont. to Provident Fund	8,40,000	7,20,000	1,57,925
Cont. to Superannuation Fund	1,00,000	1,00,000	1,00,000
Total	93,40,000	80,20,000	23,86,309

The appointment of the Executive Directors is governed by the Articles of Association of the Company and the resolutions passed by the Board of Directors and the members of the Company.

All appointments and terms of remuneration are being considered by the Board based on the recommendation of the Nomination and Remuneration Committee.

As per terms of appointment, the Company and the Executive Directors have the right to terminate the appointment by giving one month's prior notice in writing to the other. There is no provision for payment of severance fees under the resolutions governing the appointment of Executive Directors.

The Company has not issued any stock options to its Directors.

None of the Non-Executive Directors except Smt. Smita Poddar and Dr. Pranab Kumar Mookerjee hold any share in the Company.

The Company has not entered into any material pecuniary relationship or transactions with the Non-Executive Directors except rental agreement with Smt. Smita Poddar on arm's length basis.

6. Constitution of Stakeholders Relationship Committee

a) Composition

Dr. Pranab Kumar Mookerjee, an Independent Director of the Company, is the Chairman of the Stakeholders Relationship Committee. The composition of Stakeholders Relationship Committee is as follows :

Name of Directors	Designation	Category
Dr. Pranab Kumar Mookerjee	Chairman	Independent Director
Shri Vijendra Kumar Chaukhani	Member	Whole-time Director
Shri Pradeep Kumar Jain*	Member	Independent Director
Shri Piyush Bhartia*	Member	Independent Director

*Appointed as Member of the Stakeholders Relationship Committee with effect from 30th May, 2018.

b) Meetings and attendance

During the financial year four meetings of Stakeholders Relationship Committee were held on 30th May, 2017, 14th September, 2017, 11th December, 2017 and 9th February, 2018. The Attendance of the Directors at these Stakeholders Committee meetings and fees paid to them is given below :

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Name of Directors	No. of Meetings		Fees Paid
	Held	Attended	Rs.
Dr. Pranab Kumar Mookerjee	4	4	–
Shri V. K. Chaukhani	4	4	–

c) Scope of Stakeholders Relationship Committee

The Committee deals with various matters relating to redressal of shareholders' and investors' queries and grievances such as transfers and transmissions of shares, issue of duplicate share certificates, sub-division and consolidation of certificates, non- receipt of annual reports, dividend warrants etc.

The Committee also reviews the status of dematerialisation / re-materialisation of shares and suggest measures for improvement of procedures and systems.

d) Compliance Officer

Shri Shiv Kumar. Agarwal, President (Finance) & Company Secretary acted as the Secretary to all the Committees and Compliance Officer of the Company and his contact details are as given below:

Shri Shiv Kumar Agarwal
President (Finance) & Company Secretary
Reliance Jute Mills (International) Ltd.
Ideal Plaza, South Block, 4th Floor
11/1, Sarat Bose Road
Kolkata-700 020
Tel. No. : (033) 2280 7017/18, Dir.: 8232018850
Fax No.: (033) 2280 7016
E~mail : financeho@reliancejute.com

e) Pledge of shares

No pledge of shares has been created over the Equity Shares held by the Promoters as on 31st March, 2018.

f) Details of complaints from shareholders

No. of complaints remaining unresolved as on 1st April, 2017	Nil
No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints unresolved as on 31st March, 2018	Nil

7. Risk Management Committee

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, constitution of Risk Management Committee was made applicable to only top 100 listed entities, determined on the basis of market capitalisation, as at the end of immediate previous financial year. Since the Company doesn't fall under the category of aforesaid listed Companies, it was decided to discontinue existing Risk Management Committee which was formed by the Board of Directors at its meeting held on 5th May, 2015. Audit Committee, apart from its existing responsibilities, also monitor the areas of risks, its assessment and mitigation.

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8. General Body Meetings

a) Location and date/time where last three Annual General Meetings (AGM) were held and No. of Special Resolutions passed :

AGM No.	Relating to Financial Year	Date	Time	Venue	No. of Special Resolutions passed
19th	31.03.2015	28.08.2015	4.00 PM	Keshari Devi Kanoria Hall, 123, Dr. Meghnad Saha Sarani (Southern Avenue), Kolkata-700 029	3
20th	31.03.2016	27.09.2016	4.00 PM	Keshari Devi Kanoria Hall, 123, Dr. Meghnad Saha Sarani (Southern Avenue), Kolkata-700 029	1
21st	31.03.2017	14.09.2017	4.00 PM	Keshari Devi Kanoria Hall, 123, Dr. Meghnad Saha Sarani (Southern Avenue), Kolkata-700 029	Nil

At the Annual General Meeting held on 28th August, 2015, three Special Resolutions were passed for (i) adoption of new Articles of Association in substitution of existing one, (ii) increase in Authorized Share Capital of the Company and (iii) approval of the members for issuance of Preference Shares.

At the Annual General Meeting held on 27th September, 2016, one Special Resolution was passed for appointment of Shri Pawan Kumar Kanoria as Executive Chairman of the Company for a period of 5 (five) years with effect from 1st April, 2017.

No Special Resolution was passed at the Annual General Meeting held on 14th September, 2017.

No Extra-ordinary General Meeting (EGM) was held by the Company during the financial year ended 31st March, 2018.

b) Postal Ballot

No Special Resolution was passed during the previous financial year year ended 31st March, 2018 through postal ballot under Section 110 of the Companies Act, 2013 and Rules framed thereunder. The Company doesnot propose to conduct any Special Resolution through Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed thereunder on or before the forthcoming Annual General Meeting.

9. Disclosures

- a) Details of transactions with related parties have been reported in the Notes to Accounts. These disclosures are also made for the purpose of Regulation 10(1)(a) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. All the transactions with related parties are at arm's length basis and there are no materially significant related party transactions which may have potential conflict with the interests of the Company at large.

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- b) There were no instances of non-compliance by the Company or any penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- c) The Company has in place an Employee Concern (Whistle Blower Policy) which is also available on the Company's website www.reliancejute.com. No personnel have been denied access to the Audit Committee to lodge their grievances.
- d) The Company has made compliance with corporate governance requirements as specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 read with Schedule V of Listing Regulations.

All mandatory requirements and all the non-mandatory requirements have appropriately been complied with except that the Company doesn't bear the expenses of the Chairman's Office and doesn't send the half yearly financial performance to each household of shareholders who have not registered their E-mail ID with the Company or the Depository Participants.

- e) The Management Discussion and Analysis Report forms a part of the Board's Report.
- f) No presentations were made to institutional investors and analysts during the year.
- g) The Company doesn't have any subsidiary.
- h) There was no public issue, rights issues or other public offerings during the past five years. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.
- i) Plant location of the Company are given separately in the Annual Accounts of the Company and are also available on the Company's website www.reliancejute.com

10. Means of Communication :

- a) The quarterly, half yearly and annual financial results of the Company are forwarded to The Calcutta Stock Exchange Limited (CSE) upon approval by the Board of Directors and are published in Newspapers in English and Bengali (Regional Language). The financial results are displayed on the Company's website www.reliancejute.com. The shareholding patterns are also displayed on the company's website on quarterly basis.
- b) Shareholders communication including Notices and Annual Reports are being sent to the E-mail address of Members available with the Company and the Depositories. Annual Accounts are sent to Members at least 25 days before the date of Annual General Meeting.
- c) The Company's website www.reliancejute.com makes online announcement of Board meeting dates, results of the meetings, quarterly financial results, announcement of the date of Annual General Meeting, changes in Directors and other announcements. Copies of Notices and Annual Reports sent to Shareholders are also available on the website.
- d) Address for Communication

All communication regarding share transactions, change of address, bank mandates, nominations etc. should be addressed to the Registrars and Share Transfer Agents of the Company at the following address :

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata-700 006
Tel. No.: (033) 2219 6797
Fax No. : (033) 2219 4815
E~mail : skcdilip@gmail.com

Complaints, if any, may also be addressed to the Company Secretary at the Registered Office at Ideal Plaza., South Block, 4th Floor, 11/1, Sarat Bose Road, Kolkata-700 020 or sent by E~mail at financeho@reliancejute.com.

11. General Shareholders Information:

- a) AGM: Date, Time and Venue : 25th September, 2018 at 4.00 P. M. at Rotary Sadan, S. S. Hall, 94/2, Chowringhee Road, Kolkata – 700 020.
- b) Financial Year : The Financial Year of the Company ended on 31st March, 2018.
- c) Date of Book Closure : From 20th September, 2018 to 25th September, 2018 (both days inclusive).
- d) Dividend payment date : No dividend was recommended for declaration for the year ended 31st March, 2018.
- e) Listing of Securities : The Calcutta Stock Exchange Ltd.
7, Lyons Range
Kolkata-700 001
Annual Listing Fees have been paid and all requirements of the Stock Exchange where the shares of the Company are listed, including submission of quarterly reports and certificates, were complied with.
- f) Stock Code-Physical : 28387 at The Calcutta Stock Exchange Ltd.
Demat ISIN Number : INE297E01016
for NSDL & CDSL
- g) Market Price Data (High / Low during each month in 2017-18) : Information has been given at the end of Clause 11
- h) Stock performance of the Company in comparison to CSE Sensex. (April, 2017 to March, 2018) : Such information is not available with the CSE.
- i) Registrar and Share : M/s. S. K. Infosolutions Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata-700 006
Tel. No. (033) 2219 6797
Fax No. (033) 2219 4815
E-mail: skcdilip@gmail.com

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

- j) Share Transfer System : Information has been given at the end of Clause 11
- k) Distribution of Shareholding as on 31st March, 2018 : Information has been given at the end of Clause 11
- l) Dematerialization of shares and liquidity : As on 31st March, 2018, 76.65% of the Company's paid-up share capital representing 1984765 shares is held in dematerialized form.
- m) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date likely impact on equity : Not issued
- n) Plant location : The Company's plant is located at the following place:
80, West Ghosh Para Road
Bhatpara-743 123, 24, Parganas (North)
West Bengal
- o) Address for correspondence : Reliance Jute Mills (International) Ltd.
CIN: L17125WB1996PLC081382
"VNSS" Business Centre
Ideal Plaza, South Block, 4th Floor
11/1, Sarat Bose Road
Kolkata-700 020
Phone: (033) 2280 7017/18
Fax: (033) 2280 7016
E~mail: financeho@reliancejute.com
Website: www.reliancejute.com

Information in respect of clause 11(g)

Market Price data: High, Low during 2017-18 is given in the table below :

Month / Year	High (Rs.)	Low (Rs.)
April, 2017	2.65	2.65
May, 2017	2.65	2.65
June, 2017	2.65	2.65
July, 2017	2.65	2.65
Aug., 2017	2.65	2.65
Sept., 2017	2.65	2.65
Oct., 2017	2.65	2.65
Nov., 2017	2.65	2.65
Dec., 2017	2.65	2.65
Jan., 2018	2.65	2.65
Feb., 2018	2.65	2.65
March, 2018	2.65	2.65

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Information in respect of clause 11(j)

Share Transfer System

Share transfers in physical and demat form are processed by the Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd. on regular basis. The transfer/transmission of shares is approved in accordance with the powers delegated by the Board of Directors to the Chairman, Managing Director & CEO, Whole-time Director and President (Finance) & Company Secretary.

The shares lodged for transfers/dematerialisation are processed within 15 days from the date of their lodgement, if transfer instruments are found valid and complete in all respects.

As stipulated by SEBI, M/s. N. K. & Associates, Company Secretaries, carries out the secretarial audit to reconcile the total admitted capital in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form and to confirm that the total listed and paid-up capital are in agreement with the aggregate number of shares. This audit is carried out in every quarter and the report is submitted to The Calcutta Stock Exchange Limited.

Information in respect of clause 11(k)

(a) Distribution of shareholdings as on 31st March, 2018 :

Category (No. of shares)	No. of shareholders	Percentage	No. of Shares	Percentage
Upto 500	1473	92.00	163460	6.31
501 – 1000	77	4.81	54158	2.09
1001 – 2000	22	1.37	28530	1.10
2001 – 3000	11	0.69	27752	1.07
3001 – 4000	3	0.19	10608	0.41
4001 – 5000	1	0.06	4582	0.18
5001 – 10000	–	–	–	–
10001 – 50000	3	0.19	82094	3.17
50001 - 100000	7	0.44	552322	21.33
100001 & above	4	0.25	1665984	64.34
Total	1601	100.00	2589490	100.00

(b) Shareholding Pattern as on 31st March, 2018 :

Category	No. of Shares	Percentage
Promoter/ Promoter Group	1940878	74.95
Financial Institutions/Banks	6386	0.25
Other Corporate Bodies	374038	14.45
General Public	262422	10.13
Non-Resident Individuals	5766	0.22
Total	2589490	100.00

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

12. CEO/CFO Certification

Shri Pawan Kumar Kanoria, Executive Chairman, Shri Sanjay Hada, Managing Director & CEO, Shri Vijendra Kumar Chaukhani, Whole-time Director, Shri Pradeep Kumar Jain, Director and Shri Shiv Kumar Agarwal, Company Secretary & CFO of the Company have provided annual certification on the financial statements and cash flow statement to the Board as required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13. Declaration on Compliance of Company's Code of Conduct

The Board of Directors of the Company have formulated a Code of Conduct applicable to all its members and Senior Management of the Company incorporating duties of independent directors which has been posted on the website of the Company www.reliancejute.com. A declaration signed by the Managing Director & CEO of the Company affirming compliance of the code of conduct by the members of the Board of Directors and Senior Management of the Company is attached to this report.

14. Corporate Governance Compliance

The Company has complied with the requirements as laid down in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the purpose of ensuring Corporate Governance. A certificate to this effect obtained from Shri Navin Kothari of M/s. N. K. & Associates, Company Secretaries (FCS No. 5935, CP No. 3725) of the Company, has been attached to this Annual Report.

For and on behalf of the Board

P. K. KANORIA

Chairman

(DIN:00305297)

Ideal Plaza, 11/1, Sarat Bose Road

Kolkata, Dated : 30th May, 2018

Declaration regarding compliance of Code of Conduct as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I hereby declare that pursuant to Schedule V(D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Key Managerial Personnel (including Senior Management Personnel) of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2018.

For and on behalf of the Board

S. Hada

Managing Director & CEO

DIN:00305476

Ideal Plaza, 11/1, Sarat Bose Road,

Kolkata, the 30th day of May, 2018

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors

Reliance Jute Mills (International) Ltd.

We, the undersigned, in our respective capacities as Managing Director & CEO and Company Secretary & CFO of Reliance Jute Mills (International) Ltd. ('the Company') to the best of our knowledge and belief certify that :

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and based on our knowledge and belief, we state that
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that –
 - (i) there have not been any significant changes in internal control over financial reporting during the year under reference;
 - (ii) there have not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - (iii) there have not been any instances during the year of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata

Date: 30th May, 2018

S. Hada

Managing Director & CEO

S. K. Agarwal

CFO & Company Secretary

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Practicing Company Secretaries Certificate on compliance with the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the Members

Reliance Jute Mills (International) Ltd.

We have examined the compliance of conditions of corporate governance by Reliance Jute Mills (International) Limited, (the Company) for the year ended 31st March, 2018, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For N. K. & Associates
Company Secretaries
(NAVIN KOTHARI)
Proprietor
FCS No.5935
C. P. No.3725

Kolkata
Dated the 30th day of May, 2018

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

ANNEXURE – II

MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Reliance Jute Mills (International) Limited
Ideal Plaza, South Block, 4th Floor
11/1 Sarat Bose Road
Kolkata – 700020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Reliance Jute Mills (International) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - d) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - e) SEBI (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

- f) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
- g) SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
- h) SEBI (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

I have also examined compliance with the applicable clauses of the following :

- (i) The Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that,

During the year the Company has delayed in filing few Forms with additional fees. Whereas this form is filed with late fees before expiry of period specified under Section 403 of the Companies Act, 2013, this should be reported as compliance by reference of payment of additional fees.

During the quarter ended 30.09.2017 the Company has delayed by few days in compliance under Regulations no. 13(3), 27(2) and 31(1).

The Company has delayed in making payment of Listing Fees under Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further the Company has made delay of two days in filing certificate under regulation 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded, if any, as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For N. K. & Associates
Company Secretaries
(NAVIN KOTHARI)**

Proprietor

FCS No. 5935

C P No.: 3725

Place : Kolkata

Dated : 29th May, 2018

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Annexure – A

To,
The Members
Reliance Jute Mills (International) Limited
Ideal Plaza, South Block, 4th Floor
11/1 Sarat Bose Road
Kolkata – 700020

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. In view of applicable financial laws like direct and indirect tax laws, financial records and books of accounts being subjected to audit by the Internal Auditor, Statutory Auditor and Cost Auditor and relying on the reports submitted by the above agencies from time to time, I have not separately verified the financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For N. K. & Associates
Company Secretaries
(NAVIN KOTHARI)
Proprietor
FCS No. 5935
C P No.: 3725

Place : Kolkata
Dated : 29th May, 2018

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
as on financial year ended 31st March, 2018

[Pursuant to Sec. 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	:	L17125WB1996PLC081382
(ii) Registration Date	:	18th September, 1996
(iii) Name of the Company	:	Reliance Jute Mills (International) Ltd.
(iv) Category / Sub-Category of the Company	:	Company limited by shares / Indian Non-Government Company
(v) Address of the Registered Office and contact details	:	Ideal Plaza, South Block, 4th Floor 11/1, Sarat Bose Road Kolkata-700 020 Tel. No. (033) 2280 7017/18 Fax No. (033) 2280 7016 E-mail : financeho@reliancejute.com
(vi) Whether listed company	:	Yes. Listed at The Calcutta Stock Exchange Ltd.
(vii) Name, Address and Contact details of Registrar and Transfer Agent , if any	:	M/s. S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street Kolkata-700 006 Tel. No. (033) 2219 6797 Fax: (033) 2219 4815 E-mail : skcdilip@gmail.com

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 Products/services	% to total turnover of the company
1.	Hessian/Decorative	2679	11%
2.	Sacking	2679	83%
3.	Yarn	2679	6%

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	1149828		1149828	40.53	1052494		1052494	40.64	1 + 0.11
(b) Central Govt									
(c) State Govt									
(d) Bodies Corp.	768966		768966	29.70	766390		766390	29.59	- 0.11
(e) Banks/FI									
(f) Any Other									
Sub-total (A)(1):	1818794		1818794	70.23	1818584		1818584	70.23	Nil
(2) Foreign									
(a) NRIs-Individuals	122294		122294	4.72	122294		122294	4.72	Nil
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks/FI									
(e) Any Other									
Sub-total (A)(2):	122294	-	122294	4.72	122294	-	122294	4.72	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	1940878		1940878	74.95	1940878		1940878	74.95	Nil

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B. Public Shareholding									
(I) Institutions									
(a) Mutual Funds									
(b) Banks / FI	-	6386	6386	0.25	-	6386	6386	0.25	Nil
(c) Central Govt									
(d) State Govt (s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total (I)(1):	-	6386	6386	0.25	-	6386	6386	0.25	Nil
II. Non-Institutions									
(a) Bodies Corp									
(i) Indian	3544	370394	370398	14.44	3544	370394	370398	14.44	Nil
(ii) Overseas									
(b) Individual's									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	59655	377867	367527	10.14	40131	377791	367427	10.14	Nil
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									
(c) Others (specify)									
Nil	112	5654	5766	0.22	112	5654	5766	0.22	Nil
Sub-total (II)(2):	43311	598915	642226	24.80	43887	598339	642226	24.80	Nil
Total Public Shareholding (B) = (B)(1)+(B)(2)	43311	605301	648612	25.05	43887	604725	648612	25.05	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	1984189	605301	2389490	100.00	1984705	604725	2389490	100.00	Nil

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

(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.	Shri. Pawan Kumar Kamoria	619891	21.95	N/A	622766	24.05	N/A	(+3875)
2.	Shri. Pawan Kumar Kamoria (HUF)	13546	0.52	N/A	13546	0.52	N/A	N/A
3.	Smt. Usha Kamoria	278182	10.75	N/A	278182	10.75	N/A	N/A
4.	Smt. Vinita Ahirwar	25894	1.00	N/A	25894	1.00	N/A	N/A
5.	Smt. Nandini Jain	41400	1.60	N/A	41400	1.60	N/A	N/A
6.	Smt. Surma Podjar	96400	3.72	N/A	96400	3.72	N/A	N/A
7.	Smt. Seetal Hada	96400	3.72	N/A	96400	3.72	N/A	N/A
8.	Ajay Investment Enterprise Ltd.	239212	9.24	N/A	239212	9.24	N/A	N/A
9.	R. P. Investments Ltd.	512078	19.78	N/A	512078	19.78	N/A	N/A
10.	Executive Dealers Ltd.	2576	0.10	N/A	N/A	N/A	N/A	(-2110)
11.	Vape Investments Ltd.	14800	0.57	N/A	14800	0.57	N/A	N/A
	Total	1940878	74.91		1940878	74.91	N/A	N/A

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

Sl. 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
1.	Shri Pawan Kumar Kamoria				
	At the beginning of the year	619891	21.95		
	Change during the year			(+3876)	0.10
	At the end of the year			622766	24.05
2.	Shri Pawan Kumar Kamoria (HUF)				
	At the beginning of the year	13546	0.52		
	Change during the year			There was no change during the year	
	At the end of the year			13546	0.52
3.	Smt. Usha Kamoria				
	At the beginning of the year	278182	10.75		
	Change during the year			There was no change during the year	
	At the end of the year			278182	10.75

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

4.	Smt. Vinita Ahmed				
	At the beginning of the year	15894	1.00		
	Change during the year		There was no change during the year		
	At the end of the year			15894	1.00
5.	Smt. Nandita Jain				
	At the beginning of the year	11400	1.60		
	Change during the year		There was no change during the year		
	At the end of the year			11400	1.60
6.	Smt. Smrita Poddar				
	At the beginning of the year	96400	3.72		
	Change during the year		There was no change during the year		
	At the end of the year			96400	3.72
7.	Smt. Sonal Hada				
	At the beginning of the year	96400	3.72		
	Change during the year		There was no change during the year		
	At the end of the year			96400	3.72
8.	Ajay Investment Enterprise Ltd.				
	At the beginning of the year	239212	9.24		
	Change during the year		There was no change during the year		
	At the end of the year			239212	9.24
9.	B. P. Investments Ltd.				
	At the beginning of the year	512078	19.78		
	Change during the year		There was no change during the year		
	At the end of the year			512078	19.78
10.	Excellent Dealers Ltd.				
	At the beginning of the year	2876	0.01		
	Change during the year			432476	(40.00)
	At the end of the year			Nil	Nil
11.	Vapi Investments Ltd.				
	At the beginning of the year	14800	0.57		
	Change during the year		There was no change during the year		
	At the end of the year			14800	0.57

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

Sl No	For Each of the Top 10 Shareholders	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
1.	Inquire Projects Private Limited				
	At the beginning of the year	76000	2.93	76000	2.93
	Change during the year		No change during the year		
	At the end of the year	76000	2.93	76000	2.93

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2.	Jute Commercial Private Limited				
	As the beginning of the year	75000	2.90	75000	2.90
	Change during the year		No change during the year		
	At the end of the year	75000	2.90	75000	2.90
3.	Bisman Impex Pvt. Ltd.				
	As the beginning of the year	73000	2.82	73000	2.82
	Change during the year		No change during the year		
	At the end of the year	73000	2.82	73000	2.82
4.	Utpal Vincum Pvt. Ltd.				
	As the beginning of the year	72000	2.78	72000	2.78
	Change during the year		No change during the year		
	At the end of the year	72000	2.78	72000	2.78
5.	Koonjia Cine Corporation Pvt. Ltd.				
	As the beginning of the year	63522	2.45	63522	2.45
	Change during the year		No change during the year		
	At the end of the year	63522	2.45	63522	2.45
6.	Ms. Jayshree Sorana				
	As the beginning of the year	4582	0.18	4582	0.18
	Change during the year		No change during the year		
	At the end of the year	4582	0.18	4582	0.18
7.	Shri Rajendra Tiliwal				
	As the beginning of the year	3632	0.14	3632	0.14
	Change during the year		No change during the year		
	At the end of the year	3632	0.14	3632	0.14
8.	Shri Jaswant Singh Ludha				
	As the beginning of the year	3576	0.14	3576	0.14
	Change during the year		No change during the year		
	At the end of the year	3576	0.14	3576	0.14
9.	Shri Girdhari Dhanuka				
	As the beginning of the year	3400	0.13	3400	0.13
	Change during the year		No change during the year		
	At the end of the year	3400	0.13	3400	0.13
10.	Shri Ramgopal Ganeriwal				
	As the beginning of the year	2982	0.12	2982	0.12
	Change during the year		No change during the year		
	At the end of the year	2982	0.12	2982	0.12

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

(v) Shareholding of Directors and Key Managerial Personnel

Sl. 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
1.	Shri Pawan Kumar Kanoria Chairman				
	At the beginning of the year	619890	21.95		
	Change during the year			(102876)	(100.10)
	At the end of the year	-	-	622766	24.05
2.	Shri Pawan Kumar Kanoria (HUF) Chairman				
	At the beginning of the year	13546	11.52	-	-
	Change during the year	There was no change during the year			
	At the end of the year			13546	11.52
3.	Shri Sanjay Hada Managing Director & CEO				
	At the beginning of the year	-	-	-	-
	Change during the year				
	At the end of the year	-	-	-	-
4.	Smt. Smita Poddar Director				
	At the beginning of the year	96400	3.72		
	Change during the year	There was no change during the year			
	At the end of the year			96400	3.72
5.	Dr. Pranab Kumar Mukherjee Director				
	At the beginning of the year	1126	0.05	-	-
	Change during the year	There was no change during the year			
	At the end of the year			1126	0.05
6.	Shri Pradeep Kumar Jais Director				
	At the beginning of the year	-	-	-	-
	Change during the year				
	At the end of the year				
7.	Shri Piyush Bharti Director				
	At the beginning of the year				
	Change during the year	-	-	-	-
	At the end of the year				
8.	Shri Vijendra Kumar Chakrabarti Whole-time Director				
	At the beginning of the year	20	0.01		
	Change during the year	There was no change during the year			
	At the end of the year			20	0.01

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

9	Shri Rohir Bhatia* - Director				
	At the beginning of the year				
	Change during the year	-	-	-	-
	At the end of the year	-	-	-	-
10.	Shri Shiv Kumar Agarwal - President (Finance) & Company Secretary & CFO				
	At the beginning of the year	50	0.01	-	-
	Change during the year	There was no change during the year			
	At the end of the year	-	-	50	0.01

* Appointed as Additional Director with effect from 11th December, 2017.

V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding / accrued but not due for payment
(Amount in Rs.)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	22,48,47,826	8,64,44,967	-	31,13,22,793
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i + ii + iii)	22,48,47,826	8,64,44,967	-	31,13,22,793
Change in Indebtedness during the financial year				
• Addition		3,54,53,029		3,54,53,029
• Reduction	4,64,52,408			4,64,52,408
Net Change	(4,64,52,408)	3,54,53,029	-	(1,09,99,379)
Indebtedness at the end of the financial year				
(i) Principal Amount	17,83,85,418	12,19,37,996		30,03,23,414
(ii) Interest due but not paid				
(iii) Interest accrued but not due				
Total (i + ii + iii)	17,83,85,418	12,19,37,996	-	30,03,23,414

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount (Rs.)
		Shri F. K. Kataria Chairman	Shri S. Hada Managing Director & CEO	Shri V. K. Chakrabarti Whole time Director & CFO	
1.	Continuously (a) Salary and per provisions contained in Sec. 17(1) of the Income-tax Act, 1961	92,40,000	80,20,000	23,88,309	1,97,48,309
		Nil	Nil	Nil	Nil

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	(b) Value of perquisites u/s 17(2) Income-tax Act 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under Sec. 17(3) Income-tax Act 1961				
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission as % of profit others, specify	Nil	Nil	Nil	Nil
5.	Others, specify	Nil	Nil	Nil	Nil
	Total (A)	93,40,000	89,20,000	21,86,309	1,97,46,309
	Ceiling as per Act				

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
		Dr. P. K. Meekherjee	Shri P. K. Jain	Shri P. Bhargava	Smt. S. Poddar	Shri Rohit Banka*	
1.	Independent Director						
	• Fee for attending board committee meetings	15,000	15,000	14,000	3,000	3,000	50,000
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil
	• Other, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	15,000	15,000	14,000	3,000	3,000	50,000
2.	Other Non-Executive Directors						
	• Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil
	• Other, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B) (1+2)	15,000	15,000	14,000	3,000	3,000	50,000
	Total Managerial Remuneration	15,000	15,000	14,000	3,000	3,000	50,000
	Overall Ceiling as per the Act	1% of net profits of the Company for that financial year besides meeting fee for attending Board and Committee meetings.					

* Appointed as Additional Director with effect from 11th December, 2017

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel Shri S. K. Agarwal Company Secretary & CFO	Total Amount (Rs.)
1.	Gross salary (a) Salary as per provisions contained in Sec. 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profits in lieu of salary under Sec. 17(3) Income-tax Act, 1961	18,97,873	18,97,873
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others specify	Nil	Nil
5.	Others, specify	Nil	Nil
	Total	18,97,873	18,97,873

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/NCIT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTOR					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Information under Sec. 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 forming part of the Boards' Report for the financial year ended 31st March, 2018.

A. CONSERVATION OF ENERGY

- a. Awareness towards energy conservation is further enhanced by forming core group consisting of Department Heads and monitoring areas of further improvement with the help of outside experts. Some of the measures taken are as follows :
 - i) All prime movers are regularly checked and monitored for containing power consumption.
 - ii) Installations of Philips make LED tube lights of 18 watt in place of 28 watt, Asian make T5 tube light fittings.
 - iii) To reduce consumption of lubricants for energy conservation drive. Measures taken by using self lubricating bushes like oilite and nylon high quality bushes for minimizing lubricants consumption in different machines. Using best quality oil to avoid wear and tear of costly parts in Spreaders and Drawing machines.
 - iv) Power losses are being eliminated and minimized by taking necessary measures in changing proper make of electrical switches and appliances.
 - v) To save power consumption and improve P.F. by adding new capacitors and replacing defective capacitors regularly as and when required.
 - vi) Using Teflon coating on steam cylinder for saving power and also re-utilization of condensate water for different purposes.
 - vii) To use individual drive motor in place of group drive motor to save power consumption.
 - viii) Installation of VFD (Variable Frequency controlled Drive) in few machines/EOT Crane to reduce power consumption.
- b. Additional investment and proposal, if any, being implemented for reduction of consumption of energy :

During the period under review, several suggestions of energy audit carried out by an outside agency were implemented, some of which are as follows :

 - (i) Installation of Power Capacitor to improve line Power factor.
 - (ii) Replacement of important parts / portion of machines to make them more power efficient.
- c. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – The measures taken shall lead to saving in the consumption of power in future.
- d. Total energy consumption and energy consumption per unit of production – as Form 'A'

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FORM –A

(A) POWER AND FUEL CONSUMPTION

1. ELECTRICITY		Current Year	Previous Year
		01.04.2017	01.04.2016
		To	To
		31.03.2018	31.03.2017
a.	Purchased Units	1,65,45,144	1,40,65,216
	Total Amount (Rs.)	13,41,73,702	11,43,76,740
	Rate per Unit (Rs.)	8.11	8.13
b.	Own Generation through		
	Diesel Generator (Unit)	1,160	2,621
	Unit per litre of Diesel Oil	2.70	2.90
	Cost per Unit (Rs.)	22.11	19.89
2. COAL			
(B Grade, used for generation of steam in boiler)			
	Quantity (M.T.)	202.64	77.05
	Total Cost (Rs.)	17,49,860	8,23,357
	Average Rate (Rs.) per M.T.	8,635	10,686
(B) CONSUMPTION PER UNIT OF PRODUCTION			
Products: Jute Goods	Unit		
Production	M. T.	33,486	28,310
Consumption :			
Electricity	Unit	494	497
Coal	K. G.	6.05	2.72

B. TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

e. FORM B

Research and Development (R & D)

Specific areas in which R & D carried out by the Company, benefits derived as a result of
 Specific areas in which R & D carried out by the Company, benefits derived as a result of
 R & D and future plan of action :

There is no specific area where R & D has been carried out by the Company because there is not much of research and development work in individual unit of Jute Industry. However, there are continuous activities to improve the process and mechanical condition of equipments adopting new technologies and improved mechanical gadgets as well as testing system to cope with the rigid norm of export yarn quality and value added products. Dust

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

extraction equipments are being adopted at Spreader stage for better environment. New jute geo-textiles are being developed for newer uses / development projects. We are involving outside experts in the area of process development and fibre up-grading by using latest developed chemicals and enzymes. Further, Indian Jute Industries' Research Association (IJIRA) of which the Company is a member, is carrying out research and development work for Industry. The Company participates in many schemes of technology transfer to the shop floor conducted by IJIRA and Institute of Jute Technology.

Technology absorption, adaptation and innovation

- (i) Efforts in brief, made towards technology absorption, adaptation and innovation :

The Company is making continuous efforts in installing the modern machines by keeping track of latest development.

- (ii) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, substitutions, etc.:

Improvement of operational efficiency and in quality.

- (iii) Details of imported technology :

Modern S4A Looms and Automatic Rapier Looms were imported during the current year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- f. Activities relating to exports, initiatives taken to increase exports, development of new export markets for product and services and export plan :

The Company continues to explore avenues to increase exports. Every possible effort is being taken for exploration of export business.

- g. Total Foreign Exchange used and earned during the period

(Rs. in Lacs)

(i)	Total Foreign Exchange Used	:	261.89
(ii)	Total Foreign Exchange Earned	:	432.66

For and on behalf of the Board

Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, the 30th day of May, 2018

P. K. KANORIA
Chairman
(DIN:00305297)

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

ANNEXURE – V

Information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

STATEMENT PURSUANT TO PROVISION TO SCHEDULE V [PART II SECTION II (B) (CLAUSE IV) OF THE COMPANIES ACT, 2013

Requirements of Rules 5(1)		Details
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	: Shri P. K. Kanoria–62.28 : 1 (6228%) Shri S. Hada – 53.48 : 1(53.48%) Shri V. K. Chaukhani – 15.91 : 1 (1591%)
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	: Directors : Shri P. K. Kanoria – Nil Shri S. Hada – Nil Smt. S. Poddar – N. A. Shri V. K. Chaukhani – 8.36 % Dr. P. K. Mookerjee – N.A. Shri P. K. Jain – N. A. Shri P. Bhartia – N. A. Key Managerial Personnel: Shri S. K. Agarwal – 11.78%
(iii)	The percentage increase in the median remuneration of employees in the financial year	: 23.17%
(iv)	The number of permanent employees on the rolls of Company	: 4,468
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	: Average salary increase of non-managerial employees is 23.17% Average salary increase of managerial employees is 9.86% There are no exceptional circumstances in increase in managerial remuneration.
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company	: Remuneration paid during the year ended 31st March, 2018 is as per the Remuneration Policy of the Company.

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Note :

- a) The Independent Directors of the Company are entitled to sitting fees and commission on Net Profits as per statutory provisions of the Companies Act, 2013 and as per terms approved by the Members of the Company. The details of remuneration of the Independent Directors of the Company have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Independent Directors' Remuneration is, therefore, not considered for the purpose above.
- b) Percentage increase in remuneration indicates annual total compensation increase, as recommended by the Nomination and Remuneration Committee and duly approved by the Board of Directors of the Company.

For and on behalf of the Board

**Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, Dated: 30th May, 2018**

**P. K. KANORIA
Chairman
(DIN:00305297)**

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Report on the Ind As Financial Statements

1. We have audited the accompanying Ind AS financial statements of RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind As Financial Statements

2. 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules 2015, as amended, and other accounting principles generally accepted in India.

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

Auditor's Responsibility

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

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative announcements issued by Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.
5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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/ (loss), total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

7. The corresponding financial information of the Company as at and for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued financial statements for the years ended 31st March, 2017 and 31st March, 2016, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended), which was audited by predecessor auditor, on which an

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

modified opinion was expressed vide audit report dated 06th May, 2016 and 30th May, 2017 respectively. These financial statements have been adjusted for differences in accounting principles to comply with Ind AS and such adjustments on transition to Ind AS which has been approved by the Company's Board of Directors have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us :

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as stated in note 36 (1) to the financial statement;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31st March 2018.

For Jitendra K. Agarwal & Associates,

Chartered Accountants

Firm's Registration No. 318086E

(Suprio Ghatak)

Partner

Membership No. 051889

Place: Kolkata

Date: 30th May, 2018

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED for the year ended 31st March 2018)

We report that :

- i. In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, not made any investment and have not provided any guarantee in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the paragraph 3(iv) of the Order is not applicable.
- v. According to information and explanations given to us, the Company has not accepted any deposits from public during the year.
- vi. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax,

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service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues of sales tax, income tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2018 are as under :-

Name of the Statute	Nature of the Dues	Amount (Rs.)	Year to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Cess	6,99,631	October, 1989 to September, 1984	Superintendent of Central Excise
CST Act, 1956	Sales Tax	1,51,363	2001-02	Commissioner of Commercial Taxes
WBST Act, 1994	Sales Tax	24,43,452	2004-05	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	73,72,668	2004-05	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	535,122	2005-06	Appellate and Revisional Board (WB Commercial Taxes)
VAT Act, 2002	VAT	23,97,852	2005-06	West Bengal taxation tribunal
CST Act, 1956	Sales Tax	19,09,020	2006-07	Kolkata High Court
VAT Act, 2002	VAT	40,79,777	2006-07	West Bengal taxation tribunal
CST Act, 1956	Sales Tax	24,29,837	2007-08	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	1,19,2,972	2008-09	Kolkata High Court
VAT Act, 2002	VAT	7,14,380	2008-09	West Bengal taxation tribunal
VAT Act, 2002	VAT	7,97,351	2009-10	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	1,14,74,389	2010-11	Appellate and Revisional Board (WB Commercial Taxes)
VAT Act, 2002	VAT	68,83,713	2010-11	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956*	Sales Tax	57,55,522	2011-12	Appellate and Revisional Board (WB Commercial Taxes)
VAT Act, 2002*	VAT	1,13,2,350	2011-12	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956*	Sales Tax	12,56,219	2012-13	Appellate and Revisional Board (WB Commercial Taxes)
VAT Act, 2002*	VAT	10,09,645	2012-13	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956*	Sales Tax	4,52,730	2013-14	Appellate and Revisional Board (WB Commercial Taxes)
VAT Act, 2002*	VAT	99,17,340	2013-14	Appellate and Revisional Board (WB Commercial Taxes)
VAT Act, 2002*	VAT	11,58,559	2014-15	Appellate and Revisional Board (WB Commercial Taxes)

* Net of amount deposited under appeal.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

- viii. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders
- ix. The company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However the Company has raised Term Loan during the year and has applied the same for the purpose for which term loans are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Jitendra K. Agarwal & Associates,

Chartered Accountants

Firm's Registration No. 318086E

(Suprio Ghatak)

Partner

Membership No. 051889

Place: Kolkata

Date: 30th May, 2018

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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 **RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED ("the Company")** as of 31st 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

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 31st 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 Jitendra K. Agarwal & Associates,

Chartered Accountants

Firm's Registration No. 318086E

(Suprio Ghatak)

Partner

Membership No. 051889

Place: Kolkata

Date: 30th May, 2018

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

CIN : L17125WB1996PLC081382

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 Rs.	As at 31st March, 2017 Rs.	As at 31st March, 2016 Rs.
I) ASSETS				
1) NON CURRENT ASSETS				
Property, Plant and Equipment	4	76,82,19,683	72,63,35,720	70,85,03,487
Capital Work in Progress		—	2,66,835	31,84,605
Other Intangible Assets	5	83,226	2,83,076	4,82,926
Financial Assets				
Investments	6	9,028	9,028	9,028
Loans	7	1,74,62,313	2,05,61,666	1,89,50,845
Other Non-Current Assets	8	97,23,698	68,37,909	31,25,876
		<u>79,54,97,948</u>	<u>75,42,94,234</u>	<u>73,42,56,767</u>
2) CURRENT ASSETS				
Inventories	9	43,54,69,169	31,65,03,803	27,93,31,333
Financial Assets				
Trade Receivables	10	13,92,97,647	12,38,44,198	16,89,90,143
Cash and Cash Equivalents	11	2,17,70,522	1,96,15,138	2,10,51,649
Bank Balances other than Cash and Cash Equivalent	12	1,43,68,484	1,08,60,392	1,01,54,511
Loans	13	2,18,269	2,23,269	2,23,269
Other Current Financial Assets	14	1,61,62,294	39,17,869	12,07,52,641
Current Tax Assets (Net)	15	49,38,001	41,03,340	40,23,890
Other Current Assets	16	3,08,46,309	2,66,43,310	2,94,56,092
		<u>66,30,70,695</u>	<u>50,57,11,319</u>	<u>63,39,83,528</u>
TOTAL ASSETS		<u>1,45,85,68,643</u>	<u>1,26,00,05,553</u>	<u>1,36,82,40,295</u>
II) EQUITY AND LIABILITIES				
1) EQUITY				
Equity Share Capital	17	2,58,94,900	2,58,94,900	2,58,94,900
Other Equity	18	23,09,33,830	21,92,97,939	26,18,29,057
TOTAL EQUITY		<u>25,68,28,730</u>	<u>24,51,92,839</u>	<u>28,77,23,957</u>
2) LIABILITIES				
i) NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	19	9,55,69,405	8,64,84,966	11,58,14,223
Other Non-Current Financial Liabilities	20	12,000	12,000	12,000
Provisions	21	23,79,76,708	23,82,86,210	25,27,58,352
Other Non-current Liabilities	22	1,50,07,099	1,43,23,917	1,67,05,264
		<u>34,85,65,212</u>	<u>33,91,07,093</u>	<u>38,52,89,839</u>
ii) CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	23	20,47,54,009	22,48,37,826	15,24,43,820
Trade Payables	24	51,78,52,927	32,53,30,508	40,63,59,551
Other Current Financial Liabilities	25	3,80,28,666	4,06,31,313	6,05,91,280
Other Current Liabilities	26	3,39,68,041	2,87,86,428	2,90,55,431
Provisions	27	5,85,71,058	5,61,19,546	4,67,76,417
		<u>85,31,74,701</u>	<u>67,57,05,621</u>	<u>69,52,26,499</u>
TOTAL LIABILITIES		<u>1,20,17,39,913</u>	<u>1,01,48,12,714</u>	<u>1,08,05,16,338</u>
TOTAL EQUITY AND LIABILITIES		<u>1,45,85,68,643</u>	<u>1,26,00,05,553</u>	<u>1,36,82,40,295</u>

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed

On behalf of the Board of Directors

For **JITENDRA K. AGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. - 318086E

SUPRIO GHATAK

Partner

Membership No. 051889

Kolkata, the 30th Day of May, 2018

P. K. Kanoria

S. Hada

V. K. Chaukhani

P. K. Jain

S. K. Agarwal

— Chairman

— Managing Director & CEO

— Whole time Director

— Director

— CFO & Company Secretary

(DIN : 00305297)

(DIN : 00305476)

(DIN : 00309895)

(DIN : 00372338)

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

CIN : L17125WB1996PLC081382

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
	No.	Rs.	Rs.
I) INCOME			
Revenue from Operations	28	2,37,51,99,553	2,32,21,50,751
Other Income	29	1,47,93,266	59,58,518
Total Income (I)		2,38,99,92,819	2,32,81,09,269
II) EXPENSES			
Cost of Materials Consumed	30	1,27,83,36,505	1,34,47,92,934
Changes in Inventories of Finished Goods & Work-in-Progress	31	(5,14,16,146)	1,03,50,899
Employee Benefits Expenses	32	76,09,62,925	65,66,16,813
Finance Costs	33	3,80,83,460	3,90,71,047
Depreciation and Amortization Expense	34	1,31,86,378	1,77,87,619
Jute Manufacturing Cess		46,32,235	2,24,97,284
Other Expenses	35	35,17,56,860	29,57,91,595
Total Expenses (II)		2,39,55,42,217	2,38,69,08,191
III) Profit/ (Loss) before Taxation (I-II)		(55,49,398)	(5,87,98,922)
IV) Tax Expenses :			
Current Tax		—	—
Deferred Tax (Refer note 44)		—	—
Total Tax Expenses (IV)		—	—
V) Profit/ (Loss) for the year (III-IV)		(55,49,398)	(5,87,98,922)
VI) Other Comprehensive Income (OCI)			
Other Comprehensive Income not to be reclassified to statement of profit or loss in subsequent periods :			
Re-Measurement gains/(losses) on defined benefit plans		1,71,85,289	1,62,67,804
Income tax effect on above		—	—
Other Comprehensive Income for the year, net of tax		1,71,85,289	1,62,67,804
VII) Total Comprehensive Income for the year (V+VI)		1,16,35,891	(4,25,31,118)
Earnings per share - Basic and Diluted (in INR)	38	(2.14)	(22.71)

Summary of Significant Accounting Policies **3**

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed

On behalf of the Board of Directors

For JITENDRA K. AGARWAL & ASSOCIATES

Chartered Accountants

FRN No. - 318086E

SUPRIO GHATAK

Partner

Membership No. 051889

Kolkata, the 30th Day of May, 2018

P. K. Kanoria

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V. K. Chaukhani

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RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

CIN : L17125WB1996PLC081382

Statement of Changes in Equity for the year ended March 31, 2018

A) Equity Share Capital

Amount in Rs.

Balance as at April 1, 2016	2,58,94,900
Add/(Less): Changes in Equity Share Capital during the year	–
Balance as at March 31, 2017	2,58,94,900
Add/(Less): Changes in Equity Share Capital during the year	–
Balance as at March 31, 2018	2,58,94,900

B) Other Equity

Particulars	Reserves and Surplus			Item of other Comprehensive Income	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Re-Measurement of Defined Benefit Plans	
Balance as at April 1, 2016	35,00,000	32,19,178	25,51,09,879	–	26,18,29,057
Profit/(Loss) for the year	–	–	(5,87,98,922)	–	(5,87,98,922)
Remeasurement Gain/ (Loss) (Net of Deffered Tax)	–	–	–	1,62,67,804	1,62,67,804
Transfer of OCI - Remeasurement to Retained Earnings	–	–	1,62,67,804	(1,62,67,804)	–
Balance as at March 31, 2017	35,00,000	32,19,178	21,25,78,761	–	21,92,97,939
Profit/ (loss) for the year	–	–	(55,49,398)	–	(55,49,398)
Transfer of OCI - Remeasurement to Retained Earnings	–	–	1,71,85,289	(1,71,85,289)	–
Remeasurement Gain/ (Loss) (Net of Deffered Tax)	–	–	–	1,71,85,289	1,71,85,289
Balance as at March 31, 2018	35,00,000	32,19,178	22,42,14,652	–	23,09,33,830

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed

On behalf of the Board of Directors

For JITENDRA K. AGARWAL & ASSOCIATES

Chartered Accountants

FRN No. - 318086E

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Membership No. 051889

Kolkata, the 30th Day of May, 2018

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RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

CIN : L17125WB1996PLC081382

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

<u>PARTICULARS</u>	<u>For the Year Ended 31st March, 2018</u>	<u>For the Year Ended 31st March, 2017</u>
	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxes as per Statement of Profit and Loss	(55,49,398)	(5,87,98,922)
ADJUSTMENTS FOR :		
Depreciation / Amortisation (Net)	1,31,86,378	1,77,87,619
(Profit)/Loss on Sale/discard of Property, plant & Equipment	(17,40,207)	(10,91,973)
Finance Cost	3,80,83,460	3,90,71,047
Sundry Balances written off	297	1,351
Deferred grant income	(50,34,711)	(63,76,665)
Bad Debt written off	–	2,26,779
Interest Income	(1,16,87,466)	(24,31,591)
Unrealised Foreign exchange gain/ (loss)	–	(3,93,313)
Provision for Doubtful Insurance Receivable	–	28,64,735
Provision for Doubtful debts written back	(2,90,229)	(8,07,519)
Operating Profit Before Working Capital Changes	2,69,68,124	(99,48,452)
<u>Movements in Working Capital :</u>		
Decrease / (Increase) in Inventories	(11,89,65,366)	(3,71,72,470)
Decrease / (Increase) in Trade receivables	(1,57,43,678)	4,41,11,647
Decrease / (Increase) in Financial Assets	(51,449)	11,27,59,534
Decrease / (Increase) in Non Financial Assets	(75,67,106)	2,22,001
Increase / (Decrease) in Trade payable	19,25,22,419	(8,10,29,043)
Increase / (Decrease) in Financial liabilities	(37,46,332)	3,09,042
Increase / (Decrease) in Non Financial liabilities	53,03,113	(5,68,221)
Increase / (Decrease) in Provisions	1,93,27,298	1,11,38,792
Cash generated from Operating Activities	9,80,47,023	3,98,22,830
Direct Taxes paid (net of refunds)	8,34,661	79,450
Net Cash generated/(used) from Operating Activities	9,88,81,684	3,99,02,280
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP and Capital Advances	(5,31,75,132)	(3,41,03,552)
Sale of Fixed Assets	18,00,001	12,04,975
Proceeds from maturity of fixed deposit having maturity more than 3 months (net)	–	–
Investment in fixed deposit having maturity more than 3 months (net)	(35,08,092)	(7,05,881)
Interest Received	8,11,082	8,13,763
Receipt of Capital Subsidy	52,84,993	63,12,400
Net Cash generated/(used) in Investing Activities	(4,87,87,148)	(2,64,78,295)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term borrowings	4,55,97,177	–
Repayment of Long term borrowings	(3,57,00,000)	(4,43,02,167)
Proceeds / (Repayment) from short term borrowings (Net)	(2,00,83,817)	7,23,94,006
Interest paid	(3,77,52,512)	(4,29,52,335)
Net Cash generated/(used) from Financing Activities	(4,79,39,152)	(1,48,60,496)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	21,55,384	(14,36,511)
Cash and Cash Equivalents as at the beginning of the year	1,96,15,138	2,10,51,649
Cash and Cash Equivalents as at the end of the year	2,17,70,522	1,96,15,138

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

NOTES TO THE CASH FLOW STATEMENT :

	For the Year Ended 31st March, 2018	For the Year Ended 31st March, 2017
	Rs.	Rs.
1) COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balance with Banks:		
On Current Accounts	1,32,07,344	1,75,88,359
Deposits with original maturity of less than three months	–	–
Cheques on hand	77,24,340	14,44,044
Cash on hand	8,38,838	5,82,735
Cash and Cash Equivalents (Refer Note 11)	2,17,70,522	1,96,15,138

2) The above Cash flow statement has been prepared under 'Indirect Method' as set out in IND AS-7, "Statement of Cash flows".

3) Statement of Reconciliation of financing activities :

Particulars	Non Current borrowings (including current maturities)	Current borrowings
Balance as at 1st April, 2017 (including interest accrued thereon)	9,98,90,420	22,54,93,057
Cash Flow (Net)	98,97,177	(2,00,83,817)
<u>Non Cash Changes :</u>		
Fair value change	1,96,310	1,27,276
Interest expense	1,02,19,658	1,65,43,853
Interest paid	(1,46,84,052)	(1,73,26,360)
Balance as at 31st March, 2018 (including interest accrued thereon)	10,55,19,513	20,47,54,009

4) Figures in brackets represents outflows/ deductions

5) Previous GAAP figures have been regrouped/ reclassified to conform the presentation requirements under IND AS and the requirements laid down in Division II of the Schedule-III of the Companies Act, 2013.

As per our Report annexed

On behalf of the Board of Directors

For **JITENDRA K. AGARWAL & ASSOCIATES**

Chartered Accountants

FRN No. - 318086E

SUPRIO GHATAK

Partner

Membership No. 051889

Kolkata, the 30th Day of May, 2018

P. K. Kanoria

S. Hada

V. K. Chaukhani

P. K. Jain

S. K. Agarwal

– Chairman

– Managing Director & CEO

– Whole time Director

– Director

– CFO & Company Secretary

(DIN : 00305297)

(DIN : 00305476)

(DIN : 00309895)

(DIN : 00372338)

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

1. CORPORATE AND GENERAL INFORMATION

Reliance Jute Mills (International) Limited (the Company) having its registered office at **11/1, Sarat Bose Road, Ideal Plaza, South Block (4th Floor), Kolkata -700020**. The Company is a Public Limited Company domiciled in India & is incorporated under provision of Companies Act applicable in India. Its shares are listed on the Calcutta Stock Exchange Ltd. The Company manufactures jute products and jute fabrics with flexibility to cater to both domestic and international market. The mill is located at Bhatpara, 24 Parganas (North) in the state of West Bengal, India.

The Financial statements are approved for issue by the Company's Board of Directors on 30th May, 2018.

2. BASIS OF ACCOUNTING

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet as at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 48 certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2018 have been approved by the Board of Directors in their meeting held on 30th May, 2018.

2.2 Basis of Measurement

The financial statements have been prepared on historical cost basis, except for following :

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

- Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value;

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in INR as per the requirements of Schedule III, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of financial statements require judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/ materialized.

2.5 Current vs. non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is :

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Inventories

- Stores and Spare parts are valued at cost, which is computed on weighted average basis.
- Raw Materials are valued at cost or net realisable value whichever is lower. Cost is computed on individual lot basis and includes procurement charges. Materials and other items held

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

for uses in the production of Inventories are not written down below the cost of the finished products in which they will be incorporated are expected to be sold at or above cost.

- Finished Goods and work in process are valued at lower of the cost or net realisable value. Cost is estimated cost which represents direct material and appropriate portion of direct labour and manufacturing overheads.

3.2 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

3.3.1. Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

3.3.2. Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e. tax base).
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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3.4 Property, Plant and Equipment

3.4.1. Recognition and Measurement :

- Property, plant and equipment, except Freehold Land, held for use in the production or/ and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Freehold land has been stated at fair value considered as deemed cost on the date of transition. The difference between carrying amount of such land and fair value less any impairment loss along with amount lying under revaluation reserve as on the date of transition has been adjusted in Retained Earnings under the head "Other equity".
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met and any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.3. Depreciation and Amortization

- Depreciation on tangible assets is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act except in "Plant & Machinery" where the useful life is considered as 20 years which is in

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excess than life prescribed under Schedule - II as estimated by Chartered Engineers on the basis of technical evaluation.

- Each part of items of property plant & Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Certain components of property plant & Equipment as identified by the company have been depreciated at their respective useful lives ranging between 5 and 15 years.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

3.4.5. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets"

3.5 Leases

3.5.1. Determining whether an arrangement contains a lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, the company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

3.5.2. Company as lessor

- Finance Lease

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognized as revenue in the period in which they are earned.

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➤ Operating Lease

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.5.3. Company as Lessee

➤ Finance Lease

Finance Leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

➤ Operating Lease

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the Company with expected inflationary costs.

3.6 Revenue Recognition

- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

3.6.1. Sale of Goods

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

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3.6.2. Interest Income

For financial instruments, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.6.3. Dividend Income

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

3.6.4. Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

3.7 Employee Benefits

3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. Other Long Term Employee Benefits

The liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

3.7.3. Post Employment Benefits

The Company operates the following post employment schemes :

➤ Defined Benefit Plans

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities

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(G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurements recognized in other comprehensive income are reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

➤ Defined Contribution Plan

Defined Contributions to Provident Fund, Pension Scheme and Employees' State Insurance Scheme are defined contribution schemes and are charged to the Statement of Profit and Loss of the year. The Company makes specified monthly contributions towards employees provident fund to a trust administered by the Company as well as to provident fund plan operated by the Regional Provident Fund Commissioner. The interest which is payable every year by the trust to the beneficiaries is notified by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

3.8 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue.

3.9 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Non monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.10 Borrowing Cost

- Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes exchange difference to the extent regarded as an adjustment to the borrowing costs.

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- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

3.11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.11.1. Financial Assets

- **Recognition and Initial Measurement :**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.
- **Classification and Subsequent Measurement :**

For purposes of subsequent measurement, financial assets are classified in four categories:

 - o Measured at Amortized Cost;
 - o Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
 - o Measured at Fair Value Through Profit or Loss (FVTPL); and
 - o Equity Instruments measured at Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

 - o Measured at Amortized Cost: A Financial Asset is measured at the amortized cost if both the following conditions are met :
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.
 - o Measured at FVTOCI: A Financial Asset is measured at the FVTOCI if both the following conditions are met:
- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and

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➤ **The asset's contractual cash flows represent SPPI.**

Financial Assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in other comprehensive income reserve is transferred in Profit and loss statement.

- o Measured at FVTPL: FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Financial Asset included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
- o Equity Instruments measured at FVTOCI: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➤ **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

➤ **Impairment of Financial Assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.11.2. Financial Liabilities

➤ **Recognition and Initial Measurement :**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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➤ **Subsequent Measurement :**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➤ **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➤ **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.11.3. **Derivative financial instruments :**

The Company enters into derivative financial instruments viz. foreign exchange forward contracts, interest rate swaps and cross currency swaps to manage its exposure to interest rate and foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3.12 **Impairment of Non-Financial Assets**

- The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

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3.13 Provisions, Contingent Liabilities and Contingent Assets

3.13.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.13.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.13.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.14 Intangible Assets

3.14.1. Recognition and Measurement

Intangible assets comprise of computer software, expected to provide future enduring economic benefits are stated at cost less accumulated amortization and impairment, if any. Cost comprises purchase price, non-refundable taxes, duties, and incidental expenses after deducting trade discounts and rebates related to the acquisition and installation of the assets.

3.14.2. Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

3.14.3. Amortization

- Intangible assets are amortized over a period of three years under straight line method.
- The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

3.14.4. Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

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3.15 **Non-current assets (or disposal groups) held for sale and discontinued operations**

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

3.16 **Earnings per Share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.17 **Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole :

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3.18 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes :

- **Recognition of Deferred Tax Assets :** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible) :** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Classification of Leases :** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- **Defined Benefit Obligation (DBO) :** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies :** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

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- **Impairment of Financial Assets :** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts :** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments :** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

3.19 **New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below.**

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April 2018.

Ind AS 115-Revenue from Contracts with Customers

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature , amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Based on preliminary assessment performed by the Company, the impact of the application of the standard is not expected to be material.

Amendment to Existing issued Ind AS:

- i) Ind AS 12 - Income Taxes
- ii) Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- iii) Ind AS 28 - Investment in Associates and Joint Ventures and
- iv) Ind AS 112 - Disclosure of Interests in Other Entities

The impact of the above standards on the financial statements, as assessed by the Company, is not expected to be material.

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Notes to Financial Statements for the year ended 31st March, 2018

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Carrying Value				Depreciation			Net Carrying Value	
	As at 01.04.2017	Additions	Sale / Disposal	As at 31.03.2018	As at 01.04.2017	for the year	Sale / Disposal	As at 31.03.2018	As at 31.03.2018
Land	63,51,00,000	–	–	63,51,00,000	–	–	–	–	63,51,00,000
Buildings	77,01,114	81,88,227	–	1,58,89,341	32,16,393	5,09,668	–	37,26,061	1,21,63,280
Plant & Machinery	37,49,16,304	4,23,58,808	11,95,866	41,60,79,246	29,31,45,005	1,10,29,365	11,36,072	30,30,38,298	11,30,40,948
Vehicles	1,43,87,658	39,69,216	–	1,83,56,874	1,15,29,384	6,39,915	–	1,21,69,299	61,87,575
Furniture And Fittings	20,71,116	21,875	–	20,92,991	14,37,888	98,845	–	15,36,733	5,56,258
Computer	40,16,837	2,43,696	–	42,60,533	36,33,560	2,84,815	–	39,18,375	3,42,158
Office Equipments	38,91,582	1,48,463	–	40,40,045	27,86,661	4,23,920	–	32,10,581	8,29,464
Total	1,04,20,84,611	5,49,30,285	11,95,866	1,09,58,19,030	31,57,48,891	1,29,86,528	11,36,072	32,75,99,347	76,82,19,683

Particulars	Gross Carrying Value				Depreciation			Net Carrying Value	
	As at 01.04.2016 (Refer Note 4.4)	Additions	Sale / Disposal	As at 31.03.2017	As at 01.04.2016	for the year	Sale / Disposal	As at 31.03.2017	As at 31.03.2017
Land	63,51,00,000	–	–	63,51,00,000	–	–	–	–	63,51,00,000
Buildings	77,01,114	–	–	77,01,114	27,64,976	4,51,417	–	32,16,393	44,84,721
Plant & Machinery	34,02,63,090	3,47,65,718	1,12,504	37,49,16,304	27,79,29,751	1,52,15,254	–	29,31,45,005	8,17,71,299
Vehicles	1,43,88,156	–	498	1,43,87,658	1,01,88,479	13,40,905	–	15,29,384	28,58,274
Furniture And Fittings	20,71,116	–	–	20,71,116	12,62,880	1,75,008	–	14,37,888	6,33,228
Computer	36,23,061	3,93,776	–	40,16,837	34,76,103	1,57,457	–	36,33,560	3,83,277
Office Equipments	35,18,072	3,73,510	–	38,91,582	25,38,933	2,47,728	–	27,86,661	11,04,921
Total	1,00,66,64,609	3,55,33,004	1,13,002	1,04,20,84,611	29,81,61,122	1,75,87,769	–	31,57,48,891	72,63,35,720

NOTES :

- 4.1 Refer note - 19 & 23 for information on Property, Plant & Equipment pledged as security by the Company.
- 4.2 Refer note - 36.2 for disclosure on contractual commitment for acquisition on Property, Plant & Equipment.
- 4.3 Necessary Application has been made for exemption under Section 20 of Urban Land (Ceiling And Regulation) Act, 1976 for the excess land that may be held under the Act.
- 4.4 Represents IND AS cost except Land which has been fair valued on transition date, i.e. 01.04.2016 and considered as deemed cost.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

5. OTHER INTANGIBLE ASSET

<u>Amount in Rs.</u>									
Particulars	Gross Carrying Value				Depreciation			Net Carrying Value	
	As at 01.04.2017	Additions	Sale / Disposal	As at 31.03.2018	As at 01.04.2017	for the year	Sale / Disposal	As at 31.03.2018	As at 31.03.2018
Computer Software	14,20,050	-	-	14,20,050	11,36,974	1,99,850	-	13,36,824	83,226
Total	14,20,050	-	-	14,20,050	11,36,974	1,99,850	-	13,36,824	83,226

Particulars	Gross Carrying Value				Depreciation			Net Carrying Value	
	As at 01.04.2016	Additions	Sale / Disposal	As at 31.03.2017	As at 01.04.2016	for the year	Sale / Disposal	As at 31.03.2017	As at 31.03.2017
Computer Software	14,20,050	-	-	14,20,050	9,37,124	1,99,850	-	11,36,974	2,83,076
Total	14,20,050	-	-	14,20,050	9,37,124	1,99,850	-	11,36,974	2,83,076

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>		<u>Amount in Rs.</u>	
					<u>As at April 1, 2016</u>	
	Number	Amount	Number	Amount	Number	Amount
6. INVESTMENTS						
Investment measured at FVTPL						
Investment in Equity Instruments (Unquoted)						
Akshat Gases Limited (Fully paid shares of Rs. 10/- each)	1160	9,028	1160	9,028	1160	9,028
		<u>9,028</u>		<u>9,028</u>		<u>9,028</u>
a) Aggregate Book Value of Unquoted Investments		9,028		9,028		9,028
7. LOANS						
Unsecured, Considered Good						
Security Deposits (Refer note 40.2 for related party disclosure)		1,74,62,313		2,05,61,667		1,89,50,845
		<u>1,74,62,313</u>		<u>2,05,61,667</u>		<u>1,89,50,845</u>
8. OTHER NON-CURRENT ASSETS						
Unsecured, Considered Good						
Capital Advance		—		14,88,318		—
Other loans and advances						
Prepaid Rent		29,95,868		1,23,118		16,21,052
Prepaid Expenses		9,61,575		13,12,305		1,96,301
Deposits against demand under dispute		57,66,255		39,14,168		13,08,523
		<u>97,23,698</u>		<u>68,37,909</u>		<u>31,25,876</u>
9. INVENTORIES						
(As valued and certified by the Management)						
Raw Materials (Raw Jute)		18,97,20,582		11,82,57,135		7,43,86,944
Finished Goods (Jute Goods)						
At Mill		6,27,81,084		6,35,10,068		6,75,49,144
In transit		—		1,44,86,282		—
Work-in-Progress (Jute Goods)		16,99,07,341		10,32,75,929		12,40,74,034
Stores and Spares		1,30,60,162		1,69,74,389		1,33,21,211
		<u>43,54,69,169</u>		<u>31,65,03,803</u>		<u>27,93,31,333</u>

9.1 Refer note - 3.1 of significant accounting policy for mode of valuation of Inventories

9.2 Refer note - 23.1 for information on Inventories pledged as security by the Company

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

	As at March 31, 2018	As at March 31, 2017	Amount in Rs. As at April 1, 2016
10. TRADE RECEIVABLES			
Unsecured, Considered Good	13,92,97,647	12,38,44,198	16,89,90,143
Unsecured, Considered Doubtful	33,47,835	36,38,064	44,45,583
	14,26,45,482	12,74,82,262	17,34,35,726
Less : Provision for Doubtful Debtors (Refer note: 47 (a)(i))	(33,47,835)	(36,38,064)	(44,45,583)
	13,92,97,647	12,38,44,198	16,89,90,143
10.1 Refer note - 23.1 for information on trade receivables pledged as security by the Company			
10.2 There are no amounts receivable from directors and officers of the Company			
11. CASH AND CASH EQUIVALENTS			
Cash on hand	8,38,838	5,82,735	9,05,666
Cheques/drafts on Hand	77,24,340	14,44,044	31,45,780
Balance with Banks :			
– In Current Accounts	1,32,07,344	1,75,88,359	1,70,00,203
	2,17,70,522	1,96,15,138	2,10,51,649
12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT			
Earmarked Balances with Banks			
Fixed Deposits with Banks held as Margin Money*	1,43,68,484	1,08,60,392	1,01,54,511
	1,43,68,484	1,08,60,392	1,01,54,511
*Against Bank Guarantee, Letter of Credit & Term Loan			
13. LOANS			
Unsecured, Considered Good			
Security Deposits	2,18,269	2,23,269	2,23,269
	2,18,269	2,23,269	2,23,269
Unsecured, Considered Doubtful			
Loans to Body Corporate (including accrued interest)	1,58,28,123	1,58,28,123	1,58,28,123
Less : Provision for Doubtful advances (Refer note: 47 (a)(ii))	(1,58,28,123)	(1,58,28,123)	(1,58,28,123)
	—	—	—
	2,18,269	2,23,269	2,23,269

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Amount in Rs.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
14. OTHER CURRENT FINANCIAL ASSETS			
Unsecured, Considered Good			
Accrued Interest on Deposits	4,11,026	2,98,530	2,91,524
Advance to Employees	63,81,829	32,26,026	38,26,211
Forward Contact MTM Gain Receivable	—	3,93,313	—
Other Receivable (Refer Note: 14.1)	93,69,439	—	—
	<u>1,61,62,294</u>	<u>39,17,869</u>	<u>41,17,735</u>
Insurance Claim Receivable	4,10,80,037	4,10,80,037	15,48,50,208
Less: Provision for Doubtful			
Receivable (Refer note: 47 (a)(ii))	(4,10,80,037)	(4,10,80,037)	(3,82,15,302)
	<u>—</u>	<u>—</u>	<u>11,66,34,906</u>
	<u>1,61,62,294</u>	<u>39,17,869</u>	<u>12,07,52,641</u>

14.1 Others receivable represents interest claimed on withheld amount of jute goods supplied to government agencies from F.Y.2013-14 to F.Y. 2016-17 accounted for under "Other Income" based on favourable order from the Hon'ble High Court at Calcutta.

15. CURRENT TAX ASSETS (NET)

Unsecured, Considered Good

Advance Tax (Net of provision)	49,38,001	41,03,340	40,23,890
	<u>49,38,001</u>	<u>41,03,340</u>	<u>40,23,890</u>

16. OTHER CURRENT ASSETS

Unsecured, Considered Good

Interest Subsidy Receivable	84,00,000	84,00,000	84,00,000
Capital Subsidy Receivable	1,14,87,000	1,04,77,000	1,23,42,000
Export Incentive Receivable	21,10,961	12,78,830	8,38,770
Advance against supply of Goods & Services	36,94,528	27,73,807	40,71,528
Balances with Government Authorities	28,09,180	12,32,007	10,75,237
Prepaid Expenses	6,01,838	13,87,064	16,64,470
Others	17,42,802	10,94,602	10,64,087
	<u>3,08,46,309</u>	<u>2,66,43,310</u>	<u>2,94,56,092</u>

Notes to Financial Statements for the year ended 31st March, 2018

17. EQUITY SHARE CAPITAL	As at March 31, 2018		As at March 31, 2017		Amount in Rs.	
	Number	Amount	Number	Amount	Number	Amount
Authorized:						
Equity Shares of Rs.10/- each	30,10,000	3,01,00,000	30,10,000	3,01,00,000	30,10,000	3,01,00,000
6% Redeemable Cumulative Preference shares of Rs.100/- each	10,00,000	10,00,00,000	10,00,000	10,00,00,000	10,00,000	10,00,00,000
		<u>13,01,00,000</u>		<u>13,01,00,000</u>		<u>13,01,00,000</u>
Issued & Subscribed Capital						
Equity Shares of Rs.10/- each	25,89,490	2,58,94,900	25,89,490	2,58,94,900	25,89,490	2,58,94,900
6% Redeemable Cumulative Preference shares of Rs.100/- each	5,00,000	5,00,00,000	5,00,000	5,00,00,000	5,00,000	5,00,00,000
		<u>7,58,94,900</u>		<u>7,58,94,900</u>		<u>7,58,94,900</u>
Paid up Capital						
Equity Shares of Rs.10/- each	25,89,490	2,58,94,900	25,89,490	2,58,94,900	25,89,490	2,58,94,900
6% Redeemable Cumulative Preference shares of Rs.100/- each	5,00,000	5,00,00,000	5,00,000	5,00,00,000	5,00,000	5,00,00,000
		<u>7,58,94,900</u>		<u>7,58,94,900</u>		<u>7,58,94,900</u>
Less: Instrument classified as Financial liability (Refer note 19.3)		<u>(5,00,00,000)</u>		<u>(5,00,00,000)</u>		<u>(5,00,00,000)</u>
		<u>2,58,94,900</u>		<u>2,58,94,900</u>		<u>2,58,94,900</u>

17.1 Rights, Preferences & Restrictions attached to shares

- i) The company has issued equity shares having par value of Rs.10 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- ii) The company has issued 500000, 6% Redeemable Cumulative Preference Shares of Rs.100/- each on 06th November, 2015 & 12th February, 2016 redeemable at par within 20 years from the date of allotment. The Preference shareholders shall be entitled to all rights and privileges as are available under the Companies Act, 2013. However, the company may at its discretion of Board of Directors at any time redeem the shares at par out of the distributable profits of the Company. Payment of redemption would be made by cheque within a period of 30 days from the date of receipt of the duly discharged share certificate.

17.2 There has been no change/movements in number of shares outstanding at the beginning and at the end of the reporting period.

17.3 The Company does not have any holding company/ultimate holding company.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

17.4 Details of shareholders holding more than 5% shares in the Company :

Equity Shares of Rs. 10 each fully paid	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Shri Pawan Kumar Kanoria	6,36,312	24.57	6,33,436	24.46	6,33,436	24.46
B.P. Investments Limited	5,12,078	19.78	5,12,078	19.78	5,12,078	19.78
Smt. Usha Kanoria	2,78,382	10.75	2,78,382	10.75	1,52,876	5.90
Ajay Investment Enterprise Limited	2,39,212	9.24	2,39,212	9.24	2,39,212	9.24
6% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid						
P.K.Business Enterprise Limited	1,35,000	27.00	1,35,000	27.00	1,00,000	20.00
Shradha Investments Limited	90,000	18.00	1,25,000	25.00	2,50,000	50.00
Aravali Niwas Private limited	85,000	17.00	—	—	—	—
N S Family Trust	74,000	14.80	—	—	—	—
Shri Pawan Kumar Kanoria	60,000	12.00	1,00,000	20.00	—	—
Usha Kanoria Family Trust	36,500	7.30	—	—	—	—
Ajay Investment Enterprise Limited	—	—	1,00,000	20.00	1,50,000	30.00
Smt. Usha Kanoria	10,000	2.00	40,000	8.00	—	—

17.5 No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

17.6 The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceeding the date at which Balance Sheet is prepared.

17.7 No securities which are convertible into Equity/Preference shares have been issued by the Company during the year.

17.8 No calls are unpaid by any directors or officers of the company during the year.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>	<u>Amount in Rs. As at April 1, 2016</u>
18. OTHER EQUITY			
Capital Redemption Reserve			
As per last Financial Statement	35,00,000	35,00,000	35,00,000
	<u>35,00,000</u>	<u>35,00,000</u>	<u>35,00,000</u>
General Reserve			
As per last Financial Statement	32,19,178	32,19,178	32,19,178
	<u>32,19,178</u>	<u>32,19,178</u>	<u>32,19,178</u>
Retained Earnings			
As per last Financial Statement	21,25,78,761	25,51,09,879	25,51,09,879
Add : Profit/ (Loss) for the year	(55,49,398)	(5,87,98,922)	—
Add : Remeasurements of			
Defined Benefit Obligations	1,71,85,289	1,62,67,804	—
	<u>22,42,14,652</u>	<u>21,25,78,761</u>	<u>25,51,09,879</u>
	<u>23,09,33,830</u>	<u>21,92,97,939</u>	<u>26,18,29,057</u>

The Description, Nature and Purpose of each reserve with in equity are as follows :

- 18.1 **Capital Redemption Reserve :** It represents reserve created as a result of redemption of cumulative preference share capital of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013
- 18.2 **General Reserve :** This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income
- 18.3 **Retained Earnings :** This reserve represents the cumulative profits of the Company and effects of remeasurements of defined benefit obligation. This reserve can be utilised in accordance with the provisions of Companies Act, 2013

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

19. BORROWINGS

	As at March 31, 2018		As at March 31, 2017		Amount in Rs.	
	Non-current	Current	Non-current	Current	Non-current	Current
		Maturities		Maturities		Maturities
Secured						
Rupee Loan from Bank	-	8,68,662	-	-	-	1,49,72,910
Vehicle Loan from bank	20,31,409	8,97,106	-	-	-	-
	20,31,409	17,65,768	-	-	-	1,49,72,910
Unsecured						
Rupee Loan from Body Corporate	7,57,00,000		3,39,00,000	-	3,90,00,000	-
Rupee Loan from Directors	-		-	-	1,02,50,000	-
Rupee Loan from Members	68,00,000		4,25,00,000	-	5,73,50,000	-
6% Cumulative Redeemable Preference shares	1,10,37,996		1,00,84,966	-	92,14,223	-
	9,35,37,996	-	8,64,84,966	-	11,58,14,223	-
Less: Amount disclosed under the head						
"Other Current Liability" (Note 25)		(17,65,768)		-	-	(1,49,72,910)
	9,55,69,405	-	8,64,84,966	-	11,58,14,223	-

19.1 **Rupee Loan from South Indian Bank :** The term loan from bank carries interest @ (12 months MCLR +3.6%). The loan is secured by hypothecation of assets acquired utilising the loan and a collateral security of Rs. 28,00,000/- as Fixed deposit. The loan is further guaranteed by the Managing director of the Company.

19.2 **Rupee Loans from Body Corporate & Members :** The above loans are repayable after March 31, 2019 and carries interest rate @ 11 % p.a.

19.3 **Preference Shares :** The company has issued 500000, 6% Redeemable Cumulative Preference Shares of Rs.100/- each on 06th November, 2015 & 12th February, 2016 redeemable at par within 20 years from the date of allotment. However, the company may at its discretion of Board of Directors at any time redeem the shares at par out of the distributable profits of the Company.

19.4 **Vehicle Loans :** Vehicle Loans are secured by hypothecation of specific vehicles. The loan is repayable in 37 months ending on 1st March, 2021. The Rate of Interest is 8.24%.

19.5 There is no default as on the balance sheet date in the repayment of Borrowings and interest thereon.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Amount in Rs.

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>	<u>As at April 1, 2016</u>
20. OTHER NON-CURRENT FINANCIAL LIABILITIES			
Security Deposit	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>
21. PROVISIONS			
Provision for Employee Benefits			
Gratuity (Refer Note No. 37)	<u>23,25,00,374</u>	<u>23,12,40,317</u>	<u>24,57,08,614</u>
Leave Encashment	<u>54,76,334</u>	<u>70,45,893</u>	<u>70,49,738</u>
	<u>23,79,76,708</u>	<u>23,82,86,210</u>	<u>25,27,58,352</u>
22. OTHER NON-CURRENT LIABILITIES			
Deferred Revenue Grant	<u>1,50,07,099</u>	<u>1,43,23,917</u>	<u>1,67,05,264</u>
	<u>1,50,07,099</u>	<u>1,43,23,917</u>	<u>1,67,05,264</u>
22.1 Movement of Deferred Revenue			
Particulars	<u>2017-18</u>	<u>2016-17</u>	
Opening Balance (including current deferred revenue grant)	<u>1,84,59,722</u>	<u>2,03,88,987</u>	
Add : Grant received/ receivable during the year	<u>62,94,993</u>	<u>44,47,400</u>	
Less: Released to Statement of Profit & Loss	<u>50,34,711</u>	<u>63,76,665</u>	
Less: Current portion of the Deferred Revenue Income	<u>47,12,905</u>	<u>41,35,805</u>	
Closing Balance	<u>1,50,07,099</u>	<u>1,43,23,917</u>	
23. BORROWINGS			
Secured			
Working Capital facilities from Banks			
Cash Credit	<u>17,63,54,009</u>	<u>15,87,67,469</u>	<u>6,68,50,085</u>
Buyer's Credit in Foreign Currency	<u>–</u>	<u>1,35,00,000</u>	<u>5,71,14,077</u>
Buyer's Credit in Local Currency	<u>–</u>	<u>5,25,70,357</u>	<u>2,84,79,658</u>
Unsecured			
Rupee Loan from Members	<u>2,84,00,000</u>	<u>–</u>	<u>–</u>
	<u>20,47,54,009</u>	<u>22,48,37,826</u>	<u>15,24,43,820</u>

- 23.1 Working Capital borrowings and Buyer's Credit are secured by hypothecation of stock of raw materials, work-in-process, finished goods, stores and spare parts, book debts and charge created on certain fixed assets and also secured by corporate guarantees and personal guarantee of a director and an ex-director of the Company.
- 23.2 Rupee Loans from Member are repayable on Demand.
- 23.3 There is no default as on the balance sheet date in the repayment of Borrowings and interest thereon.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Amount in Rs.

	<u>As at March 31, 2018</u>	<u>As at March 31, 2017</u>	<u>As at April 1, 2016</u>
24. TRADE PAYABLES			
For Goods and Services			
Total outstanding dues of micro enterprises and small enterprises (Refer Note No: 41)	—	—	—
Total outstanding dues of creditors other than micro enterprises and small enterprises	51,78,52,927	32,53,30,508	40,63,59,551
	<u>51,78,52,927</u>	<u>32,53,30,508</u>	<u>40,63,59,551</u>
25. OTHER CURRENT FINANCIAL LIABILITIES			
Current maturities of long-term debt (Refer Note 19)	17,65,768	—	1,49,72,910
Interest accrued but not due on borrowings	81,84,340	1,40,60,685	1,12,80,406
Interest payable (other than borrowings)	45,73,270	1,16,051	83,19,906
Dividend Accrued on Cumulative Preference Shares	16,27,987	8,30,944	1,59,399
MTM on Forward payable	—	—	5,44,068
Payable to Employees	2,18,77,301	2,56,23,633	2,53,14,591
	<u>3,80,28,666</u>	<u>4,06,31,313</u>	<u>6,05,91,280</u>
25.1 Payable to Employees include Rs.143,520/- (As at 31st March, 2017: Rs. 132,082/- & As at 01st April, 2016: Rs. 142,082/-) to Related Parties/Key Managerial personnel.			
26. OTHER CURRENT LIABILITIES			
Advance from Customers	57,25,447	34,27,972	28,26,466
Statutory dues payable	2,24,60,211	1,84,63,001	1,96,19,975
Security Deposit	10,46,453	27,36,189	29,05,102
Deferred Revenue (Refer Note 22.1)	47,12,905	41,35,805	36,83,723
Other Payables	23,025	23,461	20,165
	<u>3,39,68,041</u>	<u>2,87,86,428</u>	<u>2,90,55,431</u>
27. PROVISIONS			
Employee Benefits			
Gratuity	3,00,00,000	3,00,00,000	2,00,00,000
Leave Encashment	12,87,243	14,10,948	19,01,108
Bonus	2,72,83,815	2,47,08,598	2,48,75,309
	<u>5,85,71,058</u>	<u>5,61,19,546</u>	<u>4,67,76,417</u>

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018	For the year ended	Amount in Rs.
	31st March, 2018	For the year ended 31st March, 2017
28. REVENUE FROM OPERATIONS		
Sale of products (including Jute Manufacturing Cess)		
Domestic	2,31,22,45,648	2,28,13,38,975
Export	4,39,62,191	2,58,50,410
	2,35,62,07,839	2,30,71,89,385
Other Operating Revenue		
Scrap Sales	68,33,653	34,50,813
Insurance Claim	–	3,18,995
Sewing & Branding	44,13,257	30,38,867
Deferred Revenue Grant Income (Refer Note 22.1)	50,34,711	63,76,665
Export Incentives (MEIS, Duty Drawback & Focus Market Scheme)	27,10,093	17,76,026
	1,89,91,714	1,49,61,366
	2,37,51,99,553	2,32,21,50,751
29. OTHER INCOME		
Interest Income		
On Banks Deposits	9,23,578	7,95,261
On Others (Refer Note 14.1)	93,69,439	25,508
On Fair valuation of Security Deposit	13,94,449	16,10,822
	1,16,87,466	24,31,591
Other Non Operating Income		
Gain on sale/discard of Fixed Assets (Net)	17,40,207	10,91,973
Net Gain / (Loss) on Foreign Currency Transaction / Translation	13,96,017	6,23,271
Net Gain/(Loss) on Foreign Currency Derivative Transactions	(4,14,752)	9,37,381
Provision for Doubtful Debts written back	2,90,229	8,07,519
Sundry Receipts	94,099	66,783
	31,05,800	35,26,927
	1,47,93,266	59,58,518
30. COST OF MATERIALS CONSUMED		
Raw Materials (Raw Jute)	1,27,83,36,505	1,34,47,92,934
	1,27,83,36,505	1,34,47,92,934

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

	For the year ended 31st March, 2018	Amount in Rs. For the year ended 31st March, 2017
31. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Inventories at the beginning of the year		
Finished Goods	7,79,96,350	6,75,49,144
Work-in-Process	10,32,75,929	12,40,74,034
	<u>18,12,72,279</u>	<u>19,16,23,178</u>
Inventories at the end of the year		
Finished Goods	6,27,81,084	7,79,96,350
Work-in-Process	16,99,07,341	10,32,75,929
	<u>23,26,88,425</u>	<u>18,12,72,279</u>
(Increase) / Decrease in Inventories of Finished Goods & WIP	<u>(5,14,16,146)</u>	<u>1,03,50,899</u>
32. EMPLOYEE BENEFITS EXPENSE		
Salaries & Wages	64,36,23,718	55,02,54,950
Contribution to Provident & Other Funds	11,49,94,919	10,39,80,003
Staff Welfare Expenses	23,44,288	23,81,860
	<u>76,09,62,925</u>	<u>65,66,16,813</u>
33. FINANCE COSTS		
INTEREST EXPENSES		
On Term Loan	1,52,260	6,90,339
On Cash Credit	1,62,06,470	1,10,69,072
On Unsecured Loan	90,93,745	1,58,21,667
On Buyer's Credit	3,37,383	11,76,037
On Cumulative Preference Shares	9,53,029	8,70,744
On Car Loan	20,624	34,857
	<u>2,67,63,511</u>	<u>2,96,62,716</u>
Other Borrowing Cost		
Applicable Net Gain / Loss on Foreign		
Currency Transaction /Translation	1,96,310	1,27,276
Other Financial Charges	1,03,26,596	86,09,510
Dividend on Preference Shares	7,97,043	6,71,545
	<u>1,13,19,949</u>	<u>94,08,331</u>
	<u>3,80,83,460</u>	<u>3,90,71,047</u>
34. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	1,29,86,528	1,75,87,769
Amortisation Expenses	1,99,850	1,99,850
	<u>1,31,86,378</u>	<u>1,77,87,619</u>

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Amount in Rs.

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
35. OTHER EXPENSES		
MANUFACTURING		
Stores & Spares consumed	11,07,31,614	9,91,39,505
Power & Fuel	13,79,91,659	11,82,64,642
Repairs To Machinery	92,14,314	63,64,450
Repairs To Buildings	50,54,526	9,58,239
Insurance	32,75,960	44,05,933
(A)	<u>26,62,68,073</u>	<u>22,91,32,769</u>
Selling and Administration		
Rent (Refer Note 42)	35,89,052	34,89,934
Motor Car Expenses	30,79,059	26,29,067
Travelling Expenses	20,56,403	17,11,555
Rates & Taxes	37,07,879	17,50,071
Export Expenses (including Freight	31,43,196	18,08,723
Rs. 17,28,274/-, Previous year Rs. 3,44,504/-)		
Auditor's Remuneration		
As Statutory Audit Fees	2,75,000	2,75,000
For Taxation Matters	40,000	40,000
In Other Capacity	5,50,000	1,75,000
Forwarding & Delivery charges	1,03,27,083	91,14,315
Brokerage & Commission on Sales	39,37,484	31,15,497
Sundry Balances written off (Net)	297	1,351
Provision for Doubtful Insurance Receivable	–	28,64,735
Bad debts written off	–	2,26,779
Directors sitting fees	50,000	64,500
Charity & Donation	–	1,50,000
Miscellaneous Expenses	5,47,33,334	3,92,42,299
(B)	<u>8,54,88,787</u>	<u>6,66,58,826</u>
Total = (A) + (B)	<u>35,17,56,860</u>	<u>29,57,91,595</u>

35.1 Stores and spares consumed includes Rs.1,03,01,935/- on account of Repairs to Machinery (Previous year Rs.1,53,60,977/-) (fully indigenous).

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Amount in Rs.

36. CONTINGENT LIABILITIES & COMMITMENTS

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
36.1 Contingent Liabilities not provided for in respect of :			
a) Cess duty matters in dispute/under appeal pertaining to financial years 1980-81 to 1984-85.	6,96,631	6,96,631	6,96,631
b) Sales Tax & VAT payable due to non-collection of certain declaration forms and the demand pending under appeal pertaining to financial years 2001-02 to 2014-15. Against the above, an amount of Rs. 57,66,255 (31st March, 2017- Rs.39,14,168 and 1st April, 2016 Rs.13,08,523) has been paid to relevant authorities as deposit against appeal.	6,60,93,939	6,37,32,245	6,45,15,465
c) Bills discounted with Banks and outstanding	—	—	68,59,269
d) Outstanding Bank guarantee	2,96,49,322	2,85,99,929	2,75,77,289
36.2 Capital & Other Commitments			
Estimated amount of contracts remaining to be executed on capital account net of advance/deposit	—	48,29,688	—

37. EMPLOYEE BENEFITS

In accordance with Ind-As 19 on Employee Benefits, the requisite disclosure are as follows :

37.1. Defined Contribution Plans : The company makes contribution towards Provident Fund, ESIC, Superannuation Fund to a defined contribution retirement benefit plan for qualifying employees. The Provident fund plan is operated partly by Regional Provident Fund Commissioner and partly by an independent trust, ESIC by government agencies and Superannuation Fund by a trust created for the purpose. Under the said schemes the company is required to contribute a specific percentage of pay roll costs in respect of eligible employees to the retirement benefit scheme to fund the benefits. The amount recognized as expense for the Defined Contribution Plans are as under:-

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Employer's Contribution to Provident Fund	1,05,66,177	95,74,469
Employer's Contribution to Superannuation Fund	4,14,750	4,94,454
Employer's Contribution to Pension Scheme	3,68,45,012	3,36,44,789
Employer's Contribution to Employees State Insurance Scheme	2,69,53,653	2,25,84,998

37.2 Defined Benefit Plans :

Post Employment Benefit in the form of gratuity is considered as defined benefit obligation. Every employee who has completed continuous five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit to employee benefit entitlement and measures each unit separately to build up the final obligation.

Risk Exposure : Defined benefit plans expose the Company to actuarial risks such as interest rate risk, salary risk & demographic risk

- Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase
- Salary risk :** Higher than expected increases in salary will increase the defined benefit obligation.
- Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

	<u>Amount in Rs.</u>	
I PARTICULARS	As at	As at
	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Present Value of funded obligations	28,70,37,508	28,79,47,590
Fair value of plan assets	2,45,37,134	2,67,07,273
Liabilities in respect of funded obligations on actuarial valuation basis	<u>26,25,00,374</u>	<u>26,12,40,317</u>

II. Changes in the present value of defined funded obligation representing reconciliation of opening and closing balances thereof as follows :

Present value of defined benefit obligation at the beginning of the year	28,79,47,590	29,12,80,391
Employer Service Cost	1,57,22,036	1,56,33,550
Interest Cost	2,16,29,227	2,09,33,840
Plan Amendments: Vested portion at the end of period(past service)	16,50,543	—
Actuarial Gain (-) / Loss (+)	(1,89,11,888)	(1,55,75,122)
Benefits paid	(2,10,00,000)	(2,43,25,069)
Present value of defined benefit obligation at the end of the year	<u>28,70,37,508</u>	<u>28,79,47,590</u>

III. Changes in the fair value of plan assets representing Reconciliation of opening and closing balances thereof are as follows :

Fair value of Plan Assets at the beginning of the year	2,67,07,273	2,55,71,776
Acquisition adjustments	—	—
Expected return on Plan Assets	20,56,460	19,17,883
Actual Company Contribution	1,85,00,000	2,28,50,000
Benefit Payments	(2,10,00,000)	(2,43,25,069)
Appreciation / Depreciation of Plan Assets	—	—
Actuarial Gain(+) / Loss(-)	(17,26,599)	6,92,683
Fair Value of Plan Assets at the end of the year	<u>2,45,37,134</u>	<u>2,67,07,273</u>

IV. The amounts recognized in the statement of Profit and Loss thereof are as follows :

	For the year ended	For the year ended
	<u>31st March, 2018</u>	<u>31st March, 2017</u>
Current Service Cost - Gratuity (Funded)	1,57,22,036	1,56,33,550
Past Service cost (vested)	16,50,543	—
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	1,95,72,767	1,90,15,956
Expenses recognized in the Statement of Profit and Loss	<u>3,69,45,346</u>	<u>3,46,49,506</u>

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Amount in Rs.

V. Remeasurement recognized in Other Comprehensive Income

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Actuarial (gains) / losses		
- change in demographic assumptions	—	—
- change in financial assumptions	(48,36,736)	(2,16,50,740)
- experience variance (i.e. Actual experience vs assumptions)	(1,40,75,152)	60,75,619
- others	—	—
Return on plan assets, excluding amount recognized in net interest expenses	17,26,599	(6,92,683)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	—	—
Components of defined benefit cost recognised in other comprehensive income	(1,71,85,289)	(1,62,67,804)

VI. The major categories of plan assets as a percentage of total plan assets are as follows :

Particulars	As at March 31, 2018	As at March 31, 2017
Qualifying insurance policy	100%	100%

VII. The principal actuarial assumptions at the Balance Sheet date are as follows :

Particulars	As at March 31, 2018	As at March 31, 2017
1. Mortality	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
2. Discount Rate	7.70%	7.50%
3. Salary Increase	4.00% On long term basis it has been assumed at 6.00%	4.00% On long term basis it has been assumed at 6.00%
4. Normal Age of Retirement	58 Years	8 Years

VIII. A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below :

Increase/ Decrease in present value of defined benefit obligation due to following factors :	Sensitivity	31-Mar-18		31-Mar-17	
	Level	Increase	Decrease	Increase	Decrease
Discount Rate	0.50%	27,55,70,593	29,94,14,307	27,65,56,058	30,02,49,646
Further salary increase	0.50%	29,97,20,895	27,52,10,871	30,05,29,881	27,62,03,936
Attrition rate	0.50%	28,75,96,539	28,64,78,477	28,84,77,013	28,74,18,167
Mortality rate	0.50%	28,87,32,487	28,53,42,529	28,96,14,364	28,62,80,816

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

IX. Expected Cash Flows over the next (valued on undiscounted basis) :

Particulars	As at March 31, 2018
Within the next 12 months	4,41,42,940
Between 2 and 5 years	10,40,51,513
Between 6 and 10 years	10,06,25,005
Beyond 10 years	42,87,15,340

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

X. As at 31st March, 2018, the weighted average duration of defined benefit obligation is 18 years.

XI. The Company expects to contribute Rs. 3,00,00,000/- (P.Y- Rs. 3,00,00,000/-) to its gratuity fund.

XII. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Amount in Rs.

38. EARNINGS PER SHARE (EPS)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit for the Year (Rs.)	(55,49,398)	(5,87,98,922)
Basic & Weighted average number of Equity Shares outstanding during the year	25,89,490	25,89,490
Nominal Value of Shares (Rs.)	10	10
Basic & Diluted EPS (Rs.)	(2.14)	(22.71)

39. SEGMENT REPORTING

The Company operates within a single business segment i.e. Jute and Jute Products and accordingly has considered the Business Segment to be the Primary Segment.

39.1 Geographical Segments

The Company primarily operates in India and therefore the geographical segments considered for disclosures on the basis of sales are as under :-

Particulars	31st March, 2018		31st March, 2017	
	India	Overseas	India	Overseas
Revenue from operations (Sale of Jute Goods)	2,31,22,45,648	4,39,62,191	2,28,13,38,975	2,58,50,410
Non Current Assets Other than financial instruments*	77,80,26,607	—	73,37,23,540	—

* Non Current Assets other than financial instruments includes Property, Plant & Equipment, Capital Work-in- progress, Other Intangible Assets and other Non Current Assets

39.2 Extent on reliance on major customer :

Revenue from government agencies amounting to Rs. 1,67,55,92,380/- (approx 71% of revenue) [FY 2016-17 Rs. 178,78,85,356/- (approx 77 % of revenue)] arising on sale of Jute sacking bags within India

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

40. Related Party Transactions

Related Party disclosures as identified by the Management as per Ind-AS 24 are given below :

40.1 Names of Related Parties

i) Key Managerial Personnel (KMP)

1. Shri Pawan Kumar Kanoria - Executive Chairman
2. Shri Sanjay Hada - Managing Director & CEO
3. Shri Vijendra Kumar Chaukhani - Whole-time Director
4. Shri Pranab Kumar Mookerjee- Independent Director
5. Shri Pradeep Kumar Jain- Independent Director
6. Shri Rohit Banka- Independent Director
7. Shri Piyush Bhartia- Independent Director
8. Smt. Smita Poddar-Non Executive Director

ii) Relatives of Key Management Personnel

1. Smt. Usha Kanoria
2. Smt. Vinita Ahmed
3. Smt. Sonal Hada
4. Ms. Ashima Jain

iii) Entities over which KMP and relatives of KMP exercise Control/ Significant Influence

1. B.P. Investments Limited
2. Excellent Dealers Limited
3. Vanila Tracom Private Limited
4. P.K. Business Enterprise Limited
5. Vapi Investments Limited
6. Softlink Merchants Pvt. Limited
7. Devang Tradecom Pvt. Limited
8. Arawali Niwas Pvt. Limited
9. Ajay Investment Enterprise Limited
10. Shraddha Investments Limited
11. Pawan Kumar Kanoria (HUF)

iv) Post Employment Benefit Plan Entities

Reliance Jute Mills Co.Ltd. Employees Provident Fund

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Amount in Rs.

40.2 Particulars of Transactions during the year ended 31st March, 2018 :

Nature of Transaction	Period	Key Management Personnel	Relatives of Key Management Personnel	Entities where control exists	Post Employment Benefit Plan Entities
Remuneration*	2017-18	1,97,46,309	–	–	–
	2016-17	1,82,42,187	–	–	–
Purchase of Raw Jute	2017-18	–	–	20,27,76,401	–
	2016-17	–	–	16,79,95,257	–
Rent Paid/Service Charges	2017-18	5,04,000	11,76,000	2,88,000	–
	2016-17	5,04,000	11,76,000	3,12,000	–
Sitting Fees	2017-18	50,000	–	–	–
	2016-17	64,500	–	–	–
Interest Paid	2017-18	–	–	7,26,060	–
	2016-17	–	72,79,348	8,40,000	–
Service Charges	2017-18	–	–	1,44,000	–
	2016-17	–	–	1,44,000	–
Contribution made to PF Trust (including Employees' share)	2017-18	–	–	–	12,24,84,839
	2016-17	–	–	–	10,94,11,617
Loan Taken	2017-18	–	57,50,000	8,00,000	–
	2016-17	3,19,50,000	3,31,50,000	–	–
Loan Repaid	2017-18	–	1,38,50,000	–	–
	2016-17	4,22,00,000	4,80,00,000	–	–

Balance outstanding at the year end

Security Deposit	31st March,2018	–	1,47,62,825	26,99,488	–
	31st March,2017	–	1,73,83,052	31,78,615	–
	01st April,2016	–	1,60,21,247	29,29,598	–
Loan	31st March,2018	–	2,84,00,000	68,00,000	–
	31st March,2017	–	3,65,00,000	60,00,000	–
	01st April,2016	1,02,50,000	5,13,50,000	60,00,000	–
Interest Payable	31st March,2018	–	–	6,53,454	–
	31st March,2017	–	57,17,397	7,56,000	–
	01st April,2016	–	4,15,605	–	–
PF Contribution Payable	31st March,2018	–	–	–	1,03,56,641
	31st March,2017	–	–	–	1,10,92,704
	01st April,2016	–	–	–	1,06,17,468
Trade Payable	31st March,2018	–	–	2,28,82,449	–
	31st March,2017	–	–	6,03,95,951	–
	01st April,2016	–	–	3,44,85,873	–

* The remuneration of Key Management Personnel does not include post employment benefits being provision made for gratuity and leave encashment as the same is determined on actuarial valuation basis for the Company as a whole.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED**Notes to Financial Statements for the year ended 31st March, 2018**

41. Based on the information available with the company from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no outstanding dues to suppliers / service providers covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'). The disclosures as required under the said Act are as under :-

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i) Principal amount and interest due to Supplier under MSMED act and remaining unpaid.	—	—	—
ii) Interest paid and any payment made to supplier beyond appointed date (under section 16 of the Act)	—	—	—
iii) Interest due and payable to Suppliers under MSMED Act.	—	—	—
iv) Interest accrued and remaining unpaid	—	—	—
v) Interest remaining due and payable under section 23 of the Act	—	—	—

42. **Leases (Operating Leases)**

The Company has taken certain office and other premises on operating lease for a period of 3 years on cancellable basis. Lease payment recognised in the Statement of profit and loss during the year amounts to Rs. 35,89,052/- (P.Y Rs.34,89,834/-).

43. **Change in Method of Depreciation on certain Property, Plant and Equipment**

The Company has been charging depreciation on certain property, plant & equipment on written down value (WDV) method. However, w.e.f. 1st April, 2017, the Company has changed the method of depreciation to Straight line method (SLM). The management believes that this change will result in more appropriate presentation and will give a systematic basis of depreciation charge, representative of time pattern in which the economic benefits will be derived from the use of these assets. This change has resulted in decrease in depreciation by Rs.1,35,71,212/- during the financial year 2017-18 and accordingly loss before tax has reduced by Rs. 1,35,71,212/-.

44. The company has assessed the status of Deferred Tax Asset (Net) as at the reporting date. However, in absence of reasonable certainty of future taxable profits and on the grounds of prudence, the Company has not recognised deferred tax assets (net). Hence, no provision of current and deferred tax has been considered in the Statement of profit and loss. The details of which is given as below :

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Amount in Rs.

A) <u>Deferred Tax Asset</u>	31.03.2018	31.03.2017	01.04.2016
Depreciation	–	34,68,180	62,23,570
Section 43B items	7,64,44,961	8,46,65,719	8,54,79,351
Business Losses & Unabsorbed Depreciation	4,49,04,959	6,39,76,086	4,49,03,340
Provisions on Expected Credit Loss (ECL)	1,58,31,850	1,88,15,545	1,78,68,378
MAT Credit Entitlement	4,37,666	5,28,645	5,28,645
Others	35,70,045	37,10,082	43,62,727
Total (A)	14,11,89,481	17,51,64,257	15,93,66,011
B) <u>Deferred Tax Liability</u>			
Fair value gain on Preference share	1,03,86,323	1,29,22,372	1,34,32,299
Depreciation	18,48,219	–	–
Total (B)	1,22,34,542	1,29,22,372	1,34,32,299
Net Deferred Tax Asset (A-B)	12,89,54,939	16,22,41,885	14,59,33,712

45. Capital management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. The Company is not subject to any externally imposed capital requirements. The Company monitors capital using current and debt equity ratio.

<u>Quantitative data</u>	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Assets	66,30,70,695	50,57,11,319	63,39,83,528
Current Liabilities	85,31,74,701	67,57,05,621	69,52,26,499
Current Ratio	0.78	0.75	0.91
Debt *	26,59,50,176	28,08,47,262	25,20,24,793
Equity	25,68,28,730	24,51,92,839	28,77,23,957
Debt Equity Ratio	1.04	1.15	0.88

* Debt = Non current borrowings + Current maturities of long term borrowings+ current borrowings- cash and cash equivalent- other bank balances

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

46. FAIR VALUE MEASUREMENT

A. FAIR VALUE MEASUREMENT

The following table shows the carrying amount and fair values of financial assets and liabilities by category :

Amount in Rs.

	March 31, 2018		March 31, 2017		April 30, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets (Non-current)						
Investments in Equity Instruments	₹ 428	-	9,278	-	6,678	-
Total	₹ 428	13,403,313	9,278	23,581,406	6,678	13,590,623
Financial Assets (Current)						
Trade Receivables	-	130,247,447	-	13,74,404	-	16,86,145
Due from Banks (Financial Assets)	-	20,77,632	-	1,25,515	-	20,71,829
Due from Other Financial Institutions	-	14,368,464	-	1,43,00,392	-	10,154,511
Due from Current Financial Institutions	-	206,109	-	27,269	-	27,269
Due from Other Financial Institutions	-	19,192,294	-	3,52,586	-	19,192,294
Total	-	191,813,146	-	15,47,864	-	23,17,248
Total Financial Assets (Total)	₹ 428	205,216,459	9,278	25,06,270	6,678	16,812,871
Financial Liabilities (Non-Current)						
Long-term Debt	-	₹ 5,569,405	-	₹ 10,10,000	-	₹ 10,10,000
Due from Financial Institutions	-	12,098	-	12,098	-	12,098
Total	-	₹ 5,581,503	-	₹ 10,22,098	-	₹ 10,22,098
Financial Liabilities (Current)						
Due from Banks	-	204,754,400	-	2,25,526	-	2,25,526
Due from Other Financial Institutions	-	51,821,827	-	25,13,526	-	40,38,521
Due from Other Financial Institutions	-	38,038,466	-	10,61,111	-	9,06,721
Total	-	294,614,693	-	28,10,163	-	24,70,768
Total Financial Liabilities (Total)	-	₹ 294,614,693	-	₹ 28,10,163	-	₹ 24,70,768

Notes to Financial Statements for the year ended 31st March, 2018

B. FAIR VALUE OF FINANCIAL ASSETS & LIABILITIES

Amount in Rs.

The following is the comparison by class of the carrying amounts and fair value of the Company's financial instruments that are measured at amortized cost:

Particulars	31st March, 2018 Carrying Amount	31st March, 2018 Fair Value	31st March, 2018 Carrying Amount	31st March, 2018 Fair Value	1st April, 2018 Carrying Amount	1st April, 2018 Fair Value
Financial Assets						
Loans	17,680,582	17,680,582	91,784,935	97,544,945	19,174,114	19,174,114
Trade Receivables	139,297,647	139,297,647	123,844,195	123,844,198	168,290,143	168,290,143
Cash and Cash Equivalents	21,770,522	21,770,522	9,167,58	19,615,138	21,051,049	21,051,049
Bank Balances other than Cash and Cash Equivalent	14,368,484	14,368,484	10,890,942	10,890,392	10,154,511	10,154,511
Other Current Financial Assets	16,162,294	16,162,294	3,917,869	3,917,869	120,753,641	120,753,641
Total Financial Assets	269,279,529	269,279,529	175,922,532	178,022,532	349,123,058	349,123,058
Financial Liabilities						
Long Term Borrowings	95,569,405	95,569,405	89,181,929	86,481,966	115,814,234	115,814,234
Other Non Current Financial Liabilities	12,000	12,000	12,000	12,000	12,000	12,000
Short Term Borrowings	294,754,009	294,754,009	234,847,826	224,837,826	172,443,820	152,443,820
Trade Payables	517,852,927	517,852,927	325,330,505	325,330,508	406,169,531	406,169,531
Other Current Financial Liabilities	39,038,666	39,038,666	40,161,313	40,161,313	60,591,290	60,591,290
Total Financial Liabilities	856,217,007	856,217,007	677,295,613	677,295,613	735,230,874	735,230,874

The management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, short term borrowings, and other current financial liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments. The management has assessed that the fair value of floating rate instruments approximates their carrying value.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

C. FAIR VALUE HIERARCHY

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels :

Level 1 : Quoted prices (unadjusted) in active market for identical assets or liabilities

Level 2 : Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparty. This is the case with listed instruments where market is not liquid and for unlisted instruments.

D. FINANCIAL ASSETS AND LAIBILITIES MEASURED AT AMORTISED COST FOR WHICH FAIR VALUE ARE DISCLOSED : Amount in Rs.

	March 31, 2018			Level	Unobservable inputs	Level 3	Level 1	Level 2	Total
	Level 1	Level 2	Level 3						
Financial Assets (Non-Current)									
• Loans receivable	-	-	6026			6026			6026
• Prepaid expenses	-	13,162,311	-			13,162,311			13,162,311
Total	-	-	13,168,337			13,171,363			13,171,363
Financial Assets (Current)									
• Trade receivables	-	-	1,59,293,417			1,59,293,417			1,59,293,417
• Other receivables	-	-	21,738,522			21,738,522			21,738,522
• Other financial assets (other than receivables)	-	-	12,500,483			12,500,483			12,500,483
Total	-	-	1,93,532,422			1,93,532,422			1,93,532,422
Financial Liabilities (Current)									
• Trade payables	-	-	216,349			216,349			216,349
• Other payables	-	-	16,163,399			16,163,399			16,163,399
• Other financial liabilities (other than payables)	-	-	198,817,216			198,817,216			198,817,216
Total	-	-	2,15,197,064			2,15,197,064			2,15,197,064
Financial Liabilities (Non-Current)									
• Long-term debt	-	-	-			-			-
• Other financial liabilities (other than long-term debt)	-	-	-			-			-
Total	-	-	-			-			-
Financial Assets and Liabilities (Total)	-	-	2,15,197,064			2,15,197,064			2,15,197,064

Notes to Financial Statements for the year ended 31st March, 2018

47. Financial Risk Management Objectives and Policies

The Company's activities expose it to the following risks :

- a) Credit Risk, b) Liquidity Risk, c) Market Risk

a) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, intercorporate loans, investments, foreign exchange transactions and other financial instruments.

i) Trade Receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally from government agencies. As a practical expedient, the provision matrix is prepared based on historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. The provision matrix at the end of reporting period is given below :

Particulars	As at 31st March, 2014			As at 31st March, 2017			Amount in Rs.		
	Loss Allowance 1 year	Loss Allowance 2 years	Total	Loss Allowance 1 year	Loss Allowance 2 years	Total	As at 31st March, 2014	As at 31st March, 2017	As at 31st March, 2017
Gross Customer Incomes	189,297,647	3,347,205	1,92,64,852	2,55,118	3,347,205	3,347,205	1,92,64,852	3,347,205	3,347,205
Provision for trade receivables	-	1,000	1,000	-	3,347,205	3,347,205	1,000	3,347,205	3,347,205
Carrying amount of trade receivables	189,297,647	3,347,205	1,92,64,852	2,55,118	3,347,205	3,347,205	1,92,64,852	3,347,205	3,347,205

ii) Loans and Other Financial Assets

The Company expose to credit risk in relation to inter corporate loans, investment in deposit with banks and other receivables. The credit risk on inter corporate loans and deposit with bank is limited because the counter parties are banks/ other corporates with high credit rating. As a practical expedient, the provision matrix is prepared based on financial stability of the counter party, historically observed default rates over the expected life of financial assets and is adjusted for forward looking estimates.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

Loans to Body Corporate (including accrued interest)

Amount in Rs.

Particulars	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
	Loan taken during the year	Balance at year end	Loan taken during the year	Balance at year end	Loan taken during the year	Balance at year end
Loans to Body Corporate	13,328,123	13,328,123	13,328,123	13,328,123	13,328,123	13,328,123
Loans to Body Corporate	13,328,123	13,328,123	13,328,123	13,328,123	13,328,123	13,328,123
Loans to Body Corporate	13,328,123	13,328,123	13,328,123	13,328,123	13,328,123	13,328,123
Loans to Body Corporate	13,328,123	13,328,123	13,328,123	13,328,123	13,328,123	13,328,123

Insurance Claim Receivable

Particulars	As at 31st March, 2014		As at 31st March, 2013		As at 31st March, 2012	
	Loan taken during the year	Balance at year end	Loan taken during the year	Balance at year end	Loan taken during the year	Balance at year end
Insurance Claim Receivable	41,000,475	41,000,475	41,000,475	41,000,475	41,000,475	41,000,475
Insurance Claim Receivable	41,000,475	41,000,475	41,000,475	41,000,475	41,000,475	41,000,475
Insurance Claim Receivable	41,000,475	41,000,475	41,000,475	41,000,475	41,000,475	41,000,475
Insurance Claim Receivable	41,000,475	41,000,475	41,000,475	41,000,475	41,000,475	41,000,475

Reconciliation of Loss Allowance provision

Particulars	Trade Receivable	Loans to Body Corporate	Insurance Claim Receivable
Loss Allowance provision as at 31st March, 2013	1,44,353	1,44,353	1,44,353
Charge to Loss Allowance provision	1,44,353	1,44,353	1,44,353
Loss Allowance provision as at 31st March, 2014	1,44,353	1,44,353	1,44,353
Loss Allowance provision as at 31st March, 2014	1,44,353	1,44,353	1,44,353
Loss Allowance provision as at 31st March, 2014	1,44,353	1,44,353	1,44,353

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans/internal accruals. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

Amount in Rs.

Particulars	On Demand	Up to 12 Months	More than 1 year up to 5 years	More than 5 years	Total
Year ended 31 March 2018					
Long Term borrowings			8,841,400	8,757,996	17,599,396
Savings Deposit			12,000	-	12,000
Short Term borrowings	24,400,000	178,38,000	-	-	24,578,000
Trade payables	-	4,77,629,025	-	-	4,77,629,025
Current maturities of long term loans		2,78,788	-	-	2,78,788
Interest accrued but not due on borrowings		8,136,340	-	-	8,136,340
Interest payable other than bank borrowings		4,57,927	-	-	4,57,927
Dividend Accrued on Preference Shares		2,77,987	-	-	2,77,987
Payable to employees	-	2,35,740	-	-	2,35,740
Total	24,400,000	7,41,18,050	8,841,400	88,137,996	88,137,996
Year ended 31 March 2017					
Long Term borrowings			4,750,000	4,754,096	9,504,096
Savings Deposit			12,000	-	12,000
Short Term borrowings		224,87,828	-	-	224,87,828
Trade payables		2,25,130,908	-	-	2,25,130,908
Current maturities of long term loans		-	-	-	-
Interest accrued but not due on borrowings		1,740,088	-	-	1,740,088
Interest payable other than bank borrowings		10,021	-	-	10,021
Dividend Accrued on Cumulative Preference Shares		5,09,944	-	-	5,09,944
Payable to employees		25,82,022	-	-	25,82,022
Total	-	98,75,664	4,762,000	47,54,096	1,51,26,760
Year ended 1st April 2016					
Long Term borrowings			87,00,000	8,211,222	95,211,222
Savings Deposit	-	-	12,000	-	12,000
Short Term borrowings		152,11,820	-	-	152,11,820
Trade payables		208,190,381	-	-	208,190,381
Current maturities of long term loans		14,87,290	-	-	14,87,290
Interest accrued but not due on borrowings		1,290,008	-	-	1,290,008
Interest payable other than bank borrowings	-	8,190,008	-	-	8,190,008
Dividend Accrued on Cumulative Preference Shares	-	1,50,714	-	-	1,50,714
Payable to employees		25,31,189	-	-	25,31,189
Total	-	6,18,59,035	87,012,000	8,211,222	71,57,82,264

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

c) Market Risk :

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two type of risks: Foreign Exchange Risk and Interest Rate Risk.

i) Foreign Currency Exchange Risk

It is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has Foreign Currency Exchange Risk on imports of Raw Materials & Capital Equipment(s), Buyer's Credit in foreign currency and export of Jute goods for its business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. To mitigate the risk, the Company adopts a policy of selective hedging based on risk perception of the management using forward contract.

The Company exposure to foreign currency risk at the end of reporting period are as follows :

Hedged Foreign Currency Exposure

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	INR	INR	INR	INR
Derivative Assets				
Forward Contract against Trade Receivables	-	-	-	-
Forward Contract against Trade Payables	-	-	-	-
Derivative Liabilities				
Forward Contract against Bank Balances	-	-	-	-
Forward Contract against Trade Receivables	-	-	-	-
Net Exposure in foreign currency				
	-	-	1,068,2081	10,30,2500

Unhedged Foreign Currency Exposure

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	INR	INR	INR	INR
Financial Assets				
Trade Receivables	-	-	-	-
Financial Liabilities				
Trade Payables	120,35,27	14,40,492	22,32,876	1,15,771
Net Exposure in foreign currency				
	-	-14,40,492	22,32,876	1,15,771

Notes to Financial Statements for the year ended 31st March, 2018

Sensitivity Analysis

The Analysis is based on assumption that the increase/decrease in foreign currency by 5% with all other variables held constant, on the unhedged foreign currency exposure.

Particulars	31st March 2018		31st March 2017	
	Shareholder's Funds	Interest Free Other Equity	Reserves & Surplus	Liabilities
Unhedged Foreign Currency Exposure	₹ 722,325	₹ 722,325	₹ 1,31,12,11	₹ 1,31,12,11
Unhedged Foreign Currency Exposure	₹ 722,325	₹ 722,325	₹ 1,31,12,11	₹ 1,31,12,11

Amount in Rs.

ii) Interest Rate Risk

a) The Company is exposed to risk due to interest rate fluctuation on borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

Particulars	31st March 2018	31st March 2017	31st April 2016
Fixed Rate Instruments	14,906,404	10,560,702	10,560,702
Variable Rate Instruments	139,234,985	163,115,715	2,15,62,390
Financial Assets	-	-	-
Financial Liabilities	139,234,985	163,115,715	2,15,62,390

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows :

Particulars	Increase/Decrease in Basis points	Effect on profit before tax	Effect on Equity
As at 31st March 2018	+50	₹ 86,117	₹ 86,117
	-50	₹ 86,117	₹ 86,117
As at 31st March 2017	+50	₹ 93,857	₹ 93,857
	-50	₹ 93,857	₹ 93,857

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

48. First Time Adoption

These financial statements for the year ended March 31, 2018 are the Company's first annual IND AS financial statements prepared in accordance with Ind AS notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP'). For all periods up to and including the year ended March 31, 2017.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exceptions and Exemptions Applied

IND AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain mandatory exceptions and optional exemptions from the retrospective application of certain IND AS, effective for 1st April, 2016 opening balance sheet. In preparing these Standalone financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

I. Applicable Mandatory Exceptions

(i) Estimates

As per para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per para 16 of the standard, application of IND AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period.

The Company's estimates under IND AS are consistent with the above requirement, key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below :

- ~ Fair valuation of financial instruments carried at FVTPL
- ~ Impairment of financial assets based on the expected credit loss model
- ~ Determination of the discounted value for financial instruments carried at amortised cost.

(ii) Classification and measurement of financial assets

Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

II. Optional Exemptions Availed

(i) Property Plant and Equipment and Intangible Assets

The company has elected to measure items of Property Plant & Equipment and Intangible Assets except Freehold Land at their previous GAAP carrying amount which also represents IND AS cost. On the date of transition, Freehold land has been measured at fair value which is considered as deemed cost.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

48.1 EFFECT OF IND AS ADOPTION ON THE BALANCE SHEET AS ON MARCH 31, 2017 AND APRIL 1, 2016 Amount in Rs.

		As at March 31, 2017 End of Last Period presented under previous IAS/IFRS			As at April 1, 2016 Date of Transition		
Particulars	Notes	Previous IAS/IFRS	Effect of Transition to Ind AS	Ind AS	Previous IAS/IFRS	Effect of Transition to Ind AS	Ind AS
1. ASSETS							
1.1 NON-CURRENT ASSETS							
Property, plant and equipment	III	477,035,779	9,45,940,791	14,22,97,570	404,707,487	734,007,006	11,38,71,487
Capital Works in Progress		766,538	-	766,538	1,34,905	-	1,34,905
Difference in Tax Asset		787,976	-	787,976	487,976	-	487,976
Intangible Assets		-	-	-	-	-	-
- Licenses		6,028	-	6,028	6,028	-	6,028
Leases	IIA, III	26,923,209	79,109,501	1,06,03,210	26,923,209	1,97,24,474	18,75,548
Deferred Tax Asset	VI	38,918,782	38,918,782	77,837,564	38,918,782	38,918,782	77,837,564
Other non-current assets	VII	6,711,781	127,118	6,838,899	1,301,821	1,02,11,552	1,03,42,373
		<u>909,151,901</u>	<u>245,142,734</u>	<u>1,154,294,634</u>	<u>489,136,921</u>	<u>245,029,836</u>	<u>734,166,761</u>
1.2 CURRENT ASSETS							
Inventories		918,907,803	-	918,907,803	776,137,137	-	776,137,137
Prepaid costs		-	-	-	-	-	-
- Trade receivables	IV	17,487,767	13,618,084	31,105,851	17,487,767	4,445,581	18,933,348
- Cash and cash equivalents		19,507,138	-	19,507,138	27,092,369	-	27,092,369
- Bank Balances other than Cash and		10,860,992	-	10,860,992	10,860,992	-	10,860,992
- Cash equivalent		-	-	-	-	-	-
- Loan	VII	19,000,000	6,778,710	25,778,710	19,000,000	9,776,731	28,776,731
- Other financial assets	VII	45,437,716	12,314,847	57,752,563	39,798,665	1,00,01,423	49,800,088
Current Tax Assets (Net)		1,107,310	-	1,107,310	1,021,890	-	1,021,890
Other current assets	IV	28,867,310	-	28,867,310	2,648,546	1,30,454	2,778,999
		<u>1,009,641,901</u>	<u>34,729,641</u>	<u>1,044,371,542</u>	<u>887,179,521</u>	<u>1,55,296,193</u>	<u>1,042,475,714</u>
TOTAL ASSETS		<u>1,918,793,802</u>	<u>280,272,375</u>	<u>2,194,064,176</u>	<u>1,376,316,442</u>	<u>400,326,029</u>	<u>1,776,642,475</u>
2. EQUITY AND LIABILITIES							
2.1 EQUITY							
Equity Share Capital	IIA, III	18,904,900	18,904,900	18,904,900	18,904,900	18,904,900	18,904,900
Other Equity	III, IIII	84,338,941	219,885,868	304,224,809	84,338,941	219,885,868	304,224,809
TOTAL EQUITY		<u>103,243,841</u>	<u>238,790,768</u>	<u>323,129,709</u>	<u>103,243,841</u>	<u>238,790,768</u>	<u>323,129,709</u>
2.2 LIABILITIES							
2.2.1 NON-CURRENT LIABILITIES							
Other liabilities		-	-	-	-	-	-
- Borrowings	II	78,408,000	13,084,956	91,492,956	68,930,000	9,214,222	78,144,222
- Other non-current liabilities		17,000	-	17,000	17,000	-	17,000
Provisions		238,235,210	-	238,235,210	238,235,210	-	238,235,210
Other Non-current liabilities	I	-	14,327,917	14,327,917	-	19,071,684	19,071,684
		<u>316,643,210</u>	<u>27,412,873</u>	<u>344,056,083</u>	<u>307,173,210</u>	<u>28,295,986</u>	<u>335,469,196</u>
2.2.2 CURRENT LIABILITIES							
Financial liabilities		-	-	-	-	-	-
- Borrowings		221,537,826	221,537,826	443,075,652	32,143,571	-	355,132,081
- Trade payable		108,339,551	-	108,339,551	108,339,551	-	108,339,551
- Other current financial liabilities	II	97,808,569	8,919,444	1,06,728,013	69,437,881	1,99,796	71,437,677
Other current liabilities	IV	24,577,367	41,43,946	28,721,313	24,577,367	4,227,790	28,805,157
Provisions		58,119,546	-	58,119,546	58,119,546	-	58,119,546
		<u>459,382,839</u>	<u>23,451,216</u>	<u>482,834,055</u>	<u>294,130,315</u>	<u>2,027,182</u>	<u>486,157,497</u>
TOTAL LIABILITIES		<u>565,626,680</u>	<u>27,864,089</u>	<u>593,490,744</u>	<u>397,303,826</u>	<u>2,029,170</u>	<u>595,420,000</u>
TOTAL EQUITY AND LIABILITIES		<u>1,918,793,802</u>	<u>280,272,375</u>	<u>2,194,064,176</u>	<u>1,773,620,268</u>	<u>402,505,201</u>	<u>2,176,125,469</u>

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Notes to Financial Statements for the year ended 31st March, 2018

48.2 EFFECT OF IND AS ADOPTION ON THE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2017

Amount in Rs.

Particulars	Notes	Previous GAAP	Effect of Transition to Ind AS	IND AS
I) Income				
Revenue from Operations	I, VII	1,291,276,802	28,873,949	2,322,150,751
Other Income	VII	2,550,603	3,407,615	5,958,218
Total Income (II)		1,293,827,405	32,281,564	2,328,109,269
II) Expenses				
Cost of Materials Consumed		1,344,792,934	-	1,344,792,934
Changes in Inventories of Finished Goods and Work In Progress		10,350,899	-	10,350,899
Employee benefits expense	VIII	640,320,069	16,267,804	656,587,873
Finance Costs	II	37,328,758	542,589	37,871,347
Depreciation and amortization expense	III	14,711,489	3,076,470	17,787,959
Inter-Manufacturing Costs	VIII	-	21,493,284	21,493,284
Other expenses		291,428,926	4,362,669	295,791,595
Total Expenses (III)		2,339,161,675	47,746,516	2,386,908,191
(III) Profit/(Loss) before Taxation (I-III)		(45,333,970)	(15,464,952)	(58,798,922)
IV) Tax Expenses				
Current Tax		-	-	-
Deferred Tax (Rate: rate 40)		-	-	-
Earlier years		-	-	-
Total Tax Expenses (IV)		-	-	-
V) Profit/(Loss) for the year (III-IV)		(45,333,970)	(15,464,952)	(58,798,922)
VII) Other Comprehensive Income (OCI)				
Other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods		-	-	-
Re-Measurement gain/(loss) on defined benefit plans	VIII	-	16,267,804	16,267,804
Income tax effect on above		-	-	-
Other Comprehensive Income for the year, net of tax		-	16,267,804	16,267,804
VIII) Total Comprehensive Income for the year (V+VII)		(45,333,970)	802,852	(42,531,118)

48.3 EFFECT OF IND AS ADOPTION ON THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the year ended 31 March 2017		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from Operating Activities	39,284,704	197,575	39,482,280
Net Cash flow from Investing Activities	(11,302,377)	4,824,082	(6,478,295)
Net Cash flow from Financing Activities	9,408,878	15,441,658	24,850,536
Net increase in Cash and Cash Equivalents	11,436,511	41	11,436,511
Cash and Cash Equivalents at the beginning of the year	21,051,649	0	21,051,649
Cash and Cash Equivalents at the end of the year	19,615,138	0	19,615,138

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

Notes to Financial Statements for the year ended 31st March, 2018

48.4 RECONCILIATION OF TOTAL EQUITY AS ON MARCH 31, 2017 AND APRIL 1, 2016

Amount in Rs.

	Particulars	Note to First Time Adoption	As at March 31, 2017 (End of Last Period presented under previous GAAP)	As at April 1, 2016 (Date of Transition)
	Total Equity under previous GAAP		84,33,941	136,296,981
	Add: Effect of transition to Ind AS			
(a)	Impact of Accounting treatment on Property, Plant & Equipment	I	1,34,79,121	1,29,564,251
(b)	Impact of fair valuation of Redeemable Preference Shares being Financial liability	II	1,02,15,911	9,37,5821
(c)	Impact of fair valuation of Property, Plant & Equipment	III	30,43,00,000	30,43,00,000
(d)	Impact of fair valuation of Trade receivables and Other financial assets	IV	15,81,572	15,81,5821
(e)	Impact of fair valuation of Derivative instruments	V	44,152	15,4,221
(f)	Reversal of Deferred tax Assets	VI	15,81,572	15,81,5821
(g)	Others	VII	1,12,15	1,12,15
	Total Equity under Ind AS		1,45,19,439	2,87,72,3851

48.5 NOTES TO THE RECONCILIATION OF BALANCE SHEET & EQUITY AS AT APRIL 1, 2016 AND MARCH 31, 2017 AND PROFIT OR LOSS FOR THE YEAR ENDED MARCH 31, 2017.

Explanations to the material adjustments made in the process of IND AS transition from previous GAAP

I) Deferred Revenue

Under IGAAP, grants received from government agencies against Property, Plant and Equipment was accounted as "Capital Reserve" under Reserve and Surplus. Under IND AS, the same has been presented as deferred revenue grant under Other non current liabilities and is being amortised in the statement of profit & loss on a systematic basis.

II) Redeemable Preference Shares

Under Indian GAAP, the Company has carried cumulative redeemable preference shares at book value and was shown under Share Capital. The company have considered fair value for Redeemable Preference Shares and classified it as Financial Liability in accordance with stipulations of IND AS with the resultant impact of being accumulated in retained earnings.

III) Fair Valuation as deemed Cost for Property Plant & Equipment

The company have considered fair value for property i.e. Land situated in Bhatpara, North 24 Parganas, West Bengal, India in accordance with stipulations of IND AS 101 amounting to Rs. 30,43,00,000/- with the resultant impact of being accumulated in retained earnings. Revaluation Reserve in respect of freehold land under previous GAAP has also been transferred to retained earnings on the date of transition.

IV) Expected Credit Loss Model

Ind-AS 109 requires to recognize loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

V) Derivative Instruments

Under IND AS mark to market gain/ (loss) on restatement of forward contract as at the reporting date has been recognized in the statement of profit & loss.

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

VI) Deferred tax

"Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

"In addition, the various transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. However, in absence of reasonable certainty of future taxable profits and on the grounds of prudence, the Company has derecognised deferred tax assets (net) as on the date of transition."

VII) Fair Valuation of Financial instruments

Under Indian GAAP, interest free security deposits (that are refundable in cash on completion of lease term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS and the difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

VIII) Re-classifications

- a) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- b) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to Other Comprehensive Income.
- c) Jute manufacturing cess on sales was earlier shown under expenditure now clubbed with Sales.

49. Previous GAAP figures have been regrouped/ reclassified to conform the presentation requirements under IND AS and the requirements laid down in Division II of the Schedule-III of the Companies Act, 2013.

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed

On behalf of the Board of Directors

For JITENDRA K. AGARWAL & ASSOCIATES

Chartered Accountants

FRN No. - 318086E

SUPRIO GHATAK

Partner

Membership No. 051889

Kolkata, the 30th Day of May, 2018

P. K. Kanoria

– Chairman

(DIN : 00305297)

S. Hada

– Managing Director & CEO (DIN : 00305476)

V. K. Chaukhani

– Whole time Director

(DIN : 00309895)

P. K. Jain

– Director

(DIN : 00372338)

S. K. Agarwal

– CFO & Company Secretary

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

ROUTE MAP TO THE AGM VENUE

ROTARY SADAN

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