



# RELIANCE JUTE MILLS (INTERNATIONAL) LTD.

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*Dated: 19.07.2022*

The Calcutta Stock Exchange Ltd.  
7, Lyons Range  
Kolkata-700 001

Dear Sir(s),

**Sub.: Submission of Annual Report for the year 2021-22**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we send herewith a copy of the Annual Report together with Notice for Annual General Meeting of the Company for the Financial Year 2021-22 for your kind perusal and record.

Please acknowledge receipt.

Thanking you,

Yours faithfully,  
For Reliance Jute Mills (International) Ltd.

(D. K. Kothari)  
Chief Financial Officer

Encl: As stated above.

**26<sup>th</sup>**  
**ANNUAL REPORT**  
**APRIL 2021 – MARCH 2022**



**RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED**



- BOARD OF DIRECTORS** : Shri Surendra Kumar Agarwal – Executive Chairman  
w.e.f. 2<sup>nd</sup> July, 2022 Shri Sunil Jain – Managing Director  
Shri Mayank Goyal – Director  
Shri Akhil Jain – Director  
Shri Puspendu Chattopadhyay – Whole-time Director  
Shri Sudhir Kumar – Independent Director  
Shri Mohan Lal Agarwal – Independent Director  
Smt. Frenny Megotia – Independent Director
- BOARD OF DIRECTORS** : Shri P. K. Kanoria – Executive Chairman  
upto 2<sup>nd</sup> July, 2022 Shri S. Hada – Managing Director & CEO  
Shri P. K. Jain – Independent Director  
Shri P. Bhartia – Independent Director  
Shri R. Banka – Independent Director  
Shri S. K. Seksaria – Director
- COMPANY SECRETARY** : Smt. Sweety Jhunjhunwala
- REGISTERED OFFICE** : 13/C, Kashi Nath Mullick Lane  
1<sup>st</sup> Floor, Kolkata-700073  
E~mail: [financeho@reliancejute.com](mailto:financeho@reliancejute.com)  
Website: [www.reliancejute.com](http://www.reliancejute.com)  
CIN: L17125WB1996PLC081382
- WORKS** : Reliance Jute Mills  
80, West Ghosh Para Road  
Bhatpara-743 123  
24, Parganas (North), West Bengal
- AUDITORS** : J K V S & Co.  
Chartered Accountants  
FRN No. 318086E  
5-A, Nandlal Jew Road  
Kolkata-700026
- REGISTRAR** : S. K. Infosolutions Private Limited  
CIN:U72300WB1999PTC090120  
D/42, Katju Nagar Colony  
Near South City Mall  
PO & PS – Jadavpur  
Kolkata-700032  
Tel: 033-2412 0027/2412 0029  
E~mail: [contact@skcinfo.com](mailto:contact@skcinfo.com) , [skcdilip@gmail.com](mailto:skcdilip@gmail.com)
- BANKER** : Punjab National Bank  
135, B. R. B. B. Road, Kolkata-700001
- LISTING OF SHARE** : The Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata-700001

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**CIN: L17125WB1996PLC081382**

**Registered Office: 13/C, Kashi Nath Mullick Lane, 1<sup>st</sup> Floor, Kolkata-700073**

**Website : [www.reliancejute.com](http://www.reliancejute.com), E~mail : [financeho@reliancejute.com](mailto:financeho@reliancejute.com), Tel: +91 9830211316**

### **NOTICE OF 26<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of Reliance Jute Mills (International) Limited will be held on **Wednesday, the 10<sup>th</sup> August, 2022 at 4.00 p.m. (IST)** through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), to transact the following business. The venue of the meeting shall be deemed to be at FD-463/1, Salt Lake City, Sector-3, Near Netaji Statue, Kolkata-700106.

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 and the Reports of the Board of Directors and Auditors thereon.

#### **SPECIAL BUSINESS**

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

**“RESOLVED THAT** pursuant to Section 149, 152 and 160 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), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Surendra Kumar Agarwal (DIN: 00464907) who was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> June, 2022 by the Board of Directors pursuant to Section 161 of the Act and who holds office only upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.”

**FURTHER RESOLVED THAT** the Board or Committee thereof be and is hereby authorised to re-designate the said Director as it may deem fit to confer upon him any power from time to time and to settle any question or difficulty in connection herewith and incidental hereto”.

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

**RESOLVED THAT** pursuant to provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, 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), upon the recommendation of the Nomination and Remuneration Committee and such other consents, approvals and permissions as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, approval of the members of the company, be and is hereby accorded for the appointment of Shri Surendra Kumar Agarwal (DIN: 00464907) as the Executive Chairman of the Company without remuneration for a period of five years with effect from 2<sup>nd</sup> July, 2022 to 1<sup>st</sup> July, 2027 on such terms and conditions as mentioned in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** Shri Surendra Kumar Agarwal shall have the right to manage the day-to-day business affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company and shall have the right to exercise such powers of Management of the Company, from time to time, as may be delegated to him by the Board of Directors of the Company.

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

**“RESOLVED THAT** pursuant to Section 149, 152 and 160 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), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Sunil Jain (DIN: 00486597) who was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> June, 2022 by the Board of Directors pursuant to Section 161 of the Act and who holds office only upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.”

**FURTHER RESOLVED THAT** the Board or Committee thereof be and is hereby authorised to re-designate the said Director as it may deem fit to confer upon him any power from time to time and to settle any question or difficulty in connection herewith and incidental hereto”.

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

**RESOLVED THAT** pursuant to provisions of Section 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, 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), upon the recommendation of the Nomination and Remuneration Committee and such other consents, approvals and permissions as may be necessary, and subject to such modifications, variations as may be approved and acceptable to the appointee, approval of the members of the Company, be and is hereby accorded for the appointment of Shri Sunil Jain (DIN: 00486597) as the Managing Director of the Company without remuneration for a period of five years with effect from 2<sup>nd</sup> July, 2022 to 1<sup>st</sup> July, 2027 on such terms and conditions as mentioned in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** Shri Sunil Jain shall have the right to manage the day-to-day business affairs of the Company subject to the superintendence, guidance, control and direction of the Board of Directors of the Company and shall have the right to exercise such powers of Management of the Company, from time to time, as may be delegated to him by the Board of Directors of the Company.

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

**“RESOLVED THAT** pursuant to Section 149, 152 and 160 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), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) Shri Mayank Goyal (DIN: 06476192) who was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> June, 2022 by the Board of Directors pursuant to Section 161 of the Act and who holds office only upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation”.

**FURTHER RESOLVED THAT** the Board or Committee thereof be and is hereby authorised to re-designate the said Director as it may deem fit to confer upon him any power from time to time and to settle any question or difficulty in connection herewith and incidental hereto”.

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

**“RESOLVED THAT** pursuant to Section 149, 152 and 160 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), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) Shri Akhil Jain (DIN: 06635949) who was appointed as an Additional Director of the Company with effect from 22<sup>nd</sup> June, 2022 by the Board of Directors pursuant to Section 161 of the Act and who holds office only upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation”.

**FURTHER RESOLVED THAT** the Board or Committee thereof be and is hereby authorised to re-designate the said Director as it may deem fit to confer upon him any power from time to time and to settle any question or difficulty in connection herewith and incidental hereto”.

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

**“RESOLVED THAT** pursuant to Section 149, 152 and 160 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), Articles of Association of the Company and Regulation 19 (4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Puspendu Chattopadhyay (DIN: 05276483), who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> July, 2022 by the Board of Directors pursuant to Section 161 of the Act and who holds office only upto the date of ensuing Annual General Meeting, be and is hereby appointed as a Director of the Company.”

**FURTHER RESOLVED THAT** the Board or Committee thereof be and is hereby authorised to re-designate the said Director as it may deem fit to confer upon him any power from time to time and to settle any question or difficulty in connection herewith and incidental hereto”.

9. To consider and if thought fit to pass with or without modification(s), the following resolutions as an **Ordinary 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), upon the recommendation of the Nomination and Remuneration Committee and subject to such consents and permissions, as may be required, approval of the members of the Company, be and is hereby accorded for the appointment of Shri Puspendu Chattopadhyay (DIN: 05276483) as the Whole-time Director of the Company, for a period of 2 (two) years with effect from 2<sup>nd</sup> July, 2022 to 1<sup>st</sup> July, 2024 on such terms and conditions as set out in the explanatory statement annexed hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Shri Puspendu Chattopadhyay, 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.”



10. To consider and if thought fit to pass with or without modification(s), the following resolutions 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 Mohan Lal Agarwal (DIN: 09584050) who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> July, 2022 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 appointment as an Independent Director of the Company, be and is hereby appointed as Director in the category of Independent Director of the Company to hold office as an Independent Director for a period of 5(five) years with effect from this 26<sup>th</sup> Annual General Meeting being held on 10<sup>th</sup> August, 2022 upto the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held in the calendar year 2027.”
11. To consider and if thought fit to pass with or without modification(s), the following resolutions 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 Sudhir Kumar (DIN: 02669103) who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> July, 2022 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 appointment as an Independent Director of the Company, be and is hereby appointed as Director in the category of Independent Director of the Company to hold office as an Independent Director for a period of 5(five) years with effect from this 26<sup>th</sup> Annual General Meeting being held on 10<sup>th</sup> August, 2022 upto the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held in the calendar year 2027.”
12. To consider and if thought fit to pass with or without modification(s), the following resolutions 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, Smt. Frenny Megotia (DIN: 09634474) who was appointed as an Additional Director of the Company with effect from 2<sup>nd</sup> July, 2022 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 appointment as an Independent Director of the Company, be and is hereby appointed as Director in the category of Independent Director of the Company to hold office as an Independent Director for a period of 5(five) years with effect from this 26<sup>th</sup> Annual General Meeting being held on 10<sup>th</sup> August, 2022 upto the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held in the calendar year 2027.”
13. To consider and if thought fit to pass with or without modification(s), the following resolutions as an **Ordinary Resolution**:
- “RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, as may be amended from time to time, and on recommendation of the Audit Committee, M/s. Anand Gupta & Associates, *Chartered Accountants*, (Firm Registration Number: 330186E), be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years, to hold office from the conclusion of the 26<sup>th</sup> Annual General Meeting upto the conclusion of the 31<sup>st</sup> Annual General Meeting of the Company, on such remuneration plus taxes and actual out of pocket expenses as recommended by the Audit Committee and approved by the Board of Directors of the Company, from time to time.”

14. To consider and if thought fit to pass with or without modification(s), the following resolutions 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 31<sup>st</sup> March, 2022, 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 ratified.”

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, (‘the Act’) relating to the Special Business to be transacted at the Annual General Meeting (‘AGM’) is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 2 and 14 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
2. In view of the continuing restrictions on the movement of people at several places in the country, due to outbreak of COVID-19, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, 20/2020 dated 5<sup>th</sup> May, 2020, the latest being 2/2022 dated 5<sup>th</sup> May, 2022 and Securities Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated 13<sup>th</sup> May, 2022, and other applicable circulars issued in this regard, have allowed the companies to conduct AGM through VC/OAVM till 31<sup>st</sup> December, 2022 without physical presence of Members at a common venue. In accordance with the applicable provisions of the Act and the said Circulars of MCA and SEBI, the 26<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM. National Securities Depositories Limited (‘NSDL’) will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 9 below and is also available on the website of the Company at [www.reliancejute.com](http://www.reliancejute.com).
3. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. However, Institutional/Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/Corporate Members are requested to send a scanned copy (PDF/ JPEG format) of the Board Resolution authorising its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, to the Scrutinizer at [cs.kanchanyadav@gmail.com](mailto:cs.kanchanyadav@gmail.com) and to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 4<sup>th</sup> August, 2022 to Wednesday, 10<sup>th</sup> August, 2022 (both days inclusive)**.

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF E-MAIL ID AND FOR OBTAINING COPY OF ANNUAL REPORT:**

6. In accordance with the circulars issued by MCA and SEBI, the Notice of the 26<sup>th</sup> AGM along with the Annual Report 2021-22 is being sent by electronic mode to Members whose e-mail id is registered with the Company or the Depository Participants (DPs). Physical copy of the Notice of the 26<sup>th</sup> AGM along with Annual Report for the financial year 2021-22 shall be sent to those Members who request for the same.
7. Members holding shares in physical form and who have not updated their e-mail ids with the Company are requested to update their e-mail ids by writing to the Company at [financeho@reliancejute.com](mailto:financeho@reliancejute.com) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (e.g.: Driving License, Voter Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised (demat) mode are requested to register/update their e-mail addresses with the relevant DPs. In case of any queries/difficulties in registering the e-mail address, Members may write to [financeho@reliancejute.com](mailto:financeho@reliancejute.com).



8. The Notice of 26<sup>th</sup> AGM along with the Annual Report for the financial year 2021-22, is available on the website of the Company at [www.reliancejute.com](http://www.reliancejute.com), on the website of Stock Exchanges i.e., The Calcutta Stock Exchange Limited and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

9. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Listing Regulations (as amended) and applicable Circulars, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the authorised agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
10. The Members, whose names appear in the Register of Members/list of Beneficial Owners **as on Wednesday, 3<sup>rd</sup> August, 2022** i.e. a day prior to commencement of book closure date, being the **cut-off date**, are entitled to vote on the Resolutions set forth in this Notice. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a member as on the cut-off date should treat this Notice of AGM for information purpose only.
11. Members may cast their votes through electronic voting system from any place (remote e-voting). The remote e-voting period will commence at **9.00 a.m. (IST) on Friday, 5<sup>th</sup> August, 2022 and will end at 5.00 p.m. (IST) on Tuesday, 9<sup>th</sup> August, 2022**. In addition, the facility for voting through e-voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through NSDL e-voting system at <https://www.evoting.nsdl.com/>.
12. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
13. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
14. The detailed instructions and the process for accessing and participating in the 26<sup>th</sup> AGM through VC/OAVM facility and voting through electronic means including remote e-voting are explained herein below:

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on 'e-voting facility provided by Listed Companies', e-voting process has been enabled for all the individual demat account holders, through their demat account maintained with DPs. Members are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

**The instructions for members for remote e-voting and joining general meeting are asunder: -**

The remote e-voting period begins on **Friday, 5<sup>th</sup> August, 2022 at 9.00 A.M. and ends on Tuesday, 9<sup>th</sup> August, 2022 at 5.00 P.M.** The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the **record date (cut-off date) i.e. Wednesday, 3<sup>rd</sup> August, 2022** may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the **cut-off date**, being **Wednesday, 3<sup>rd</sup> August, 2022**.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="683 801 1361 1189">1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="683 1218 1361 1330">2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li data-bbox="683 1359 1361 1771">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="683 1800 1361 1879">4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**



Individual Shareholders holding securities in demat mode with CDSL

- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/loginor> [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
- After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.
- If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General guidelines for members**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.kanchanyadav@gmail.com](mailto:cs.kanchanyadav@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on ‘Upload Board Resolution/Authority Letter’ displayed under ‘e-voting’ tab under their login.
2. Any person holding shares in physical and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the **cut-off date i.e., Wednesday, 3<sup>rd</sup> August, 2022** may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **1800 1020 990 and 1800 22 44 30** . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the **cut-off date i.e. Wednesday, 3<sup>rd</sup> August, 2022** may follow steps mentioned in the Notice of the AGM under Step 1: “Access to NSDL e-Voting system” (Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. 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 User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 15. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) by email to [financeho@reliancejute.com](mailto:financeho@reliancejute.com).
  2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [financeho@reliancejute.com](mailto:financeho@reliancejute.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
  3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
  4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
- 16. The instructions for members for e-voting on the day of the AGM are as under:-**
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  2. Only those Members/ shareholders, who will be present in the AGM through/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- 17. Instructions for members for attending the AGM through VC/OAVM are as under:**
1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [financeho@reliancejute.com](mailto:financeho@reliancejute.com) latest by **4.00 .p.m. on Monday, 8<sup>th</sup> day of August, 2022**. Members who are successfully registered as speaker will be informed over email on **9<sup>th</sup> August, 2022**.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [financeho@reliancejute.com](mailto:financeho@reliancejute.com) latest by **4.00 .p.m. on Monday, 8<sup>th</sup> day of August, 2022**. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call 1800 1020 990 / 1800 22 44 30.

#### GENERAL INFORMATION:

18. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. 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 User Details/Password?' or 'Physical User Reset Password?' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
19. The voting rights shall be as per the number of equity shares held by the Member(s) as on **Wednesday, 3<sup>rd</sup> August, 2022, being the cut-off date**. Members are eligible to cast vote electronically only if they are holding shares as on that date.
20. The Company has appointed Smt. Kanchan Yadav of K Y & Associates, Practising Company Secretaries (Membership No. ACS 39862 and CP No. 14939), to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
21. The results of the electronic voting shall be declared within 48 hours to the Stock Exchange after the conclusion of AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company at [www.reliancejute.com](http://www.reliancejute.com) and on the website of NSDL.

#### PROCEDURE FOR INSPECTION OF DOCUMENTS:

22. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode basis, the request be sent on [financeho@reliancejute.com](mailto:financeho@reliancejute.com).
23. During the AGM, the Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.
24. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to S. K. Infosolutions Private Limited, Registrar and Share Transfer Agent of the Company or Secretarial Department of the Company immediately by sending a request on email at [financeho@reliancejute.com](mailto:financeho@reliancejute.com) or contact [skcdilip@gmail.com](mailto:skcdilip@gmail.com).

**OTHERS:**

25. Members of the Company had approved the appointment of M/s. J K V S & Co., *Chartered Accountants*, as the Statutory Auditors at the Twenty First AGM of the Company which is valid till the ensuing AGM of the Company. Accordingly, M/s. Anand Gupta & Associates, *Chartered Accountants*, (Firm Registration Number: 330186E) has been appointed by the Board of Directors of the Company subject to approval of the members at the ensuing Annual General Meeting.
26. Members of existing Board of Directors have resigned from their directorship and new Board members have been appointed in terms of the Sale Purchase Agreement (SPA) dated 21<sup>st</sup> April, 2022, hence, in terms of Section 152 of the Act, no director is liable to retire by rotation at this Annual General Meeting.
27. Details as required in Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India in respect of the Directors seeking appointment at the AGM are provided hereunder. Requisite declarations have been received from the Directors seeking appointment. The Independent Directors of the Company have been appointed for a consecutive term of 5 years and are not eligible to retire by rotation.
28. SEBI vide its Circular dated 3<sup>rd</sup> November, 2021 has mandated registration of PAN, KYC details and Nomination, by holders of physical securities. Members holding shares in physical form are requested to submit their PAN, KYC details and Nomination details by sending a duly filled and signed Form ISR-1 to S. K. Infosolutions Private Limited at D/42, Katju Nagar Colony, Ground Floor, Near South City Mall, PO & PS-Jadavpur, Kolkata-700032 or by email to contact@skcinfo.com, [skcdilip@gmail.com](mailto:skcdilip@gmail.com) from their registered email id.
29. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. Further, SEBI, vide its Circular dated 25<sup>th</sup> January, 2022, has clarified that listed companies, with immediate effect, shall issue the securities only in demat mode while processing investor service requests pertaining to issuance of duplicate shares, exchange of shares, endorsement, sub-division/consolidation of share certificates, etc. In view of this as also to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to demat mode..

**Registered Office:**  
 13/C, Kashi Nath Mullick Lane  
 1<sup>st</sup> Floor, Kolkata-700073  
 Dated: 2<sup>nd</sup> day of July, 2022

**By Order of the Board**  
**For Reliance Jute Mills (International) Limited**  
 (Sweety Jhunjunwala)  
 Company Secretary

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**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**


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**Item No. 2**

Shri Surendra Kumar Agarwal (DIN:00464907) on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director with effect from 22<sup>nd</sup> June, 2022 by the Board in accordance with the Article 121 of the Articles of Association of the Company and Section 161 of the Companies Act 2013 (the Act"). As per Section 161 of the Act, Shri Surendra Kumar Agarwal holds office upto the date of the ensuing AGM to be held on 10<sup>th</sup> August, 2022.

Shri Surendra Kumar Agarwal possesses the requisite knowledge, experience and skill for the position of Director. The Board, on the recommendation of its Nomination and Remuneration Committee and subject to approval of members in the ensuing AGM, has accorded its consent, to appoint Shri Surendra Kumar Agarwal as a Director of the Company. Except Shri Surendra Kumar Agarwal, being an appointee, his son Shri Mayank Goyal, no other Director, Key Managerial Personnel of the Company and/or their relatives are interested or concerned financially or otherwise in the proposed resolution.

The Board of Directors recommends passing of the resolution set out in **Item No. 2** of this Notice.

**Item No. 3**

Shri Surendra Kumar Agarwal was appointed as Whole-time Director designated as the Executive Chairman of the Company by the Board of Directors on recommendation of Nomination and Remuneration Committee at its meeting held on 2<sup>nd</sup> July, 2022 for a period of 5 (five) years w.e.f. 2<sup>nd</sup> July, 2022 not liable to retire by rotation and subject to approval by the members at the ensuing Annual General Meeting of the Company.

The details of terms and conditions of appointment of Shri Surendra Kumar Agarwal are given below:

- a) The term of appointment is for a period of 5(five) years w.e.f. 2<sup>nd</sup> July, 2022 to 1<sup>st</sup> July, 2027 not liable to retire by rotation.
- b) The appointment of Executive Chairman shall be without remuneration and no sitting fees shall be payable to him for attending any of the meetings of the Board or Committee thereof.
- c) The Executive Director shall be reimbursed for all the expenses incurred by him for travelling, boarding and lodging during his business trips conducted on behalf of the Company. These reimbursements of expenses will not be included in the calculation of remuneration of the Executive Chairman.
- d) The Executive Chairman shall adhere to various policies, code of conduct, staff rules of the company as may be applicable by virtue of his office for the purpose of discharging his official duties, powers as delegated by the Board of Directors of the Company from time to time

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Brief profiles covering the details of his qualifications, experience, etc. as required pursuant to Secretarial Standards on General Meeting, is annexed to the Notice.

In compliance with the provisions of Sections 196, 197 and 203, read with Schedule V of the companies Act, 2013, the terms and conditions of appointment and remuneration specified in the resolutions are now being placed before the members in the General Meeting for your approval.

Shri Surendra Kumar Agarwal doesn't hold any share in the Company as on date but under Sale Purchase Agreement dated 21<sup>st</sup> April, 2022, he is to acquire 3,50,201 equity shares of the face value of Rs. 10/- each in the Company which amounts to 13.52% of the total number of paid-up equity shares of the Company.

Shri Surendra Kumar Agarwal is a Commerce Graduate from Calcutta University and he has vast experience over a period of 35 years in the area of finance, accounts, banking, administration, etc. He possesses strong hold of textile manufacturing industry. Considering the financial conditions of the Company, Shri Agarwal has consented to act as Whole-time Director designated as Executive Chairman of the Company without remuneration. By virtue of his rich and vast experience, dedication towards work and his developmental plans, Shri Agarwal can play a key role in turning around and growth of the Company in the coming periods.

Except, Shri Surendra Kumar Agarwal, being an appointee, his son Shri Mayank Goyal, none of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at **Item No. 3**.

The Board recommends the **Ordinary Resolution** set out at **Item No. 3** for the approval of members.

**Item No. 4**

Shri Sunil Jain (DIN:00486597) on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director with effect from 22<sup>nd</sup> June, 2022 by the Board in accordance with the Article 121 of the Articles of Association of the Company and Section 161 of the Companies Act 2013 (the Act"). As per Section 161 of the Act, Shri Sunil Jain holds office upto the date of the ensuing AGM to be held on 10<sup>th</sup> August, 2022.

Shri Sunil Jain possesses the requisite knowledge, experience and skill for the position of Director. The Board, on the recommendation of its Nomination and Remuneration Committee and subject to approval of members in the ensuing AGM, has accorded its consent, to appoint Shri Sunil Jain as a Director of the Company. Except Shri Sunil Jain, his son Shri Akhil Jain, no other Director, Key Managerial Personnel of the Company and/or their relatives are interested or concerned financially or otherwise in the proposed resolution.

The Board of Directors recommends passing of the resolution set out in **Item No. 4** of this Notice.

**Item No. 5**

Shri Sunil Jain was appointed as Managing Director of the Company by the Board of Directors on recommendation of Nomination and Remuneration Committee at its meeting held on 2<sup>nd</sup> July, 2022 for a period of 5 (five) years w.e.f. 2<sup>nd</sup> July, 2022 not liable to retire by rotation and subject to approval by the members at the ensuing Annual General Meeting of the Company.

The details of terms and conditions of appointment of Shri Sunil Jain are given below:

- a) The term of appointment is for a period of 5(five) years w.e.f. 2<sup>nd</sup> July, 2022 to 1<sup>st</sup> July, 2027 not liable to retire by rotation.
- b) The appointment of Managing Director shall be without remuneration and no sitting fees shall be payable to him for attending any of the meetings of the Board or Committee thereof.
- c) The Managing Director shall be reimbursed for all the expenses incurred by him for travelling, boarding and lodging during his business trips conducted on behalf of the Company. These reimbursements of expenses will not be included in the calculation of remuneration of the Managing Director.
- d) The Managing Director shall adhere to various policies, code of conduct, staff rules of the company as may be applicable by virtue of his office for the purpose of discharging his official duties, powers as delegated by the Board of Directors of the Company from time to time

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Brief profiles covering the details of his qualifications, experience, etc. as required pursuant to Secretarial Standards on General Meeting, is annexed to the Notice.

In compliance with the provisions of Sections 196, 197 and 203, read with Schedule V of the companies Act, 2013, the terms and conditions of appointment and remuneration specified in the resolutions are now being placed before the members in the General Meeting for your approval.

Shri Sunil Jain doesn't hold any share in the Company as on date but under Sale Purchase Agreement dated 21<sup>st</sup> April, 2022, he is to acquire 2,40,053 equity shares of the face value of Rs. 10/- each in the Company which amounts to 9.27% of the total number of paid-up equity shares of the Company.

Shri Sunil Jain is a Commerce Graduate from Delhi University and he has vast experience over a period of 25 years in the area of marketing..Considering the financial conditions of the Company, Shri Jain has consented to act as Managing Director of the Company without remuneration. By virtue of his rich and vast experience, dedication towards work and his developmental plans, Shri Jain can play a key role in turning around and growth of the Company in the coming periods.

Except, Shri Sunil Jain, being an appointee, his son Shri Akhil Jain, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested financially or otherwise in the resolution set out at **Item No. 5**.

The Board recommends the **Ordinary Resolution** set out at **Item No. 5** for the approval of members.

**Item No. 6**

Shri Mayank Goyal (DIN:06476192), on the recommendation of the Nomination and Remuneration Committee, was appointed as an Additional Director with effect from 22<sup>nd</sup> June, 2022 by the Board in accordance with the Article 121 of the Articles of Association of the Company and Section 161 of the Companies Act 2013 (the Act"). As per Section 161 of the Act, Shri Mayank Goyal holds office upto the date of the ensuing AGM to be held on 10<sup>th</sup> August, 2022.

Shri Mayank Goyal possesses the requisite knowledge, experience and skill for the position of Director. The Board on the recommendation of its Nomination and Remuneration Committee and subject to approval of members in the ensuing AGM, has accorded its consent, to appoint Shri Mayank Goyal as a Director liable to retire by rotation.

Shri Mayank Goyal holds 3,00,000 equity shares representing 11.59% of the total paid-up equity share capital of the Company as on date.

Except Shri Mayank Goyal, being appointee, his father Shri Surendra Kumar Agarwal, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financially or otherwise in the proposed resolution.

The Board of Directors recommends passing of the resolution set out in **Item No. 6** of this Notice.

#### **Item No. 7**

Shri Akhil Jain (DIN:06635949) on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director with effect from 22<sup>nd</sup> June, 2022 by the Board in accordance with the Article 121 of the Articles of Association of the Company and Section 161 of the Companies Act 2013 (the Act"). As per Section 161 of the Act, Shri Akhil Jain holds office upto the date of the ensuing AGM to be held on 10<sup>th</sup> August, 2022.

Shri Akhil Jain possesses the requisite knowledge, experience and skill for the position of Director. The Board on the recommendation of its Nomination and Remuneration Committee and subject to approval of members in the ensuing AGM, has accorded its consent, to appoint Shri Akhil Jain as a Director liable to retire by rotation.

Shri Akhil Jain doesn't hold any share in the Company as on date but pursuant to the Sale Purchase Agreement he is to acquire 2,70,386 equity shares representing 10.44% of the total paid-up equity share capital of the Company.

Except Shri Akhil Jain, being appointee, his father Shri Sunil Jain, no other Director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financially or otherwise in the proposed resolution.

The Board of Directors recommends passing of the resolution set out in **Item No. 7** of this Notice.

#### **Item No. 8**

Shri Puspendu Chattopadhyay (DIN:05276483) on the recommendation of the Nomination and Remuneration Committee was appointed as an Additional Director with effect from 2<sup>nd</sup> July, 2022 by the Board in accordance with the Article 121 of the Articles of Association of the Company and Section 161 of the Companies Act 2013 (the Act"). As per Section 161 of the Act, Shri Puspendu Chattopadhyay holds office upto the date of the ensuing AGM to be held on 10<sup>th</sup> August, 2022.

Shri Puspendu Chattopadhyay possesses the requisite knowledge, experience and skill for the position of Director. The Board, on the recommendation of its Nomination and Remuneration Committee and subject to approval of members in the ensuing AGM, has accorded its consent, to appoint Shri Puspendu Chattopadhyay as a Director of the Company. Except Shri Puspendu Chattopadhyay no other Director, Key Managerial Personnel of the Company and/or their relatives are interested or concerned financially or otherwise in the proposed resolution.

The Board of Directors recommends passing of the resolution set out in **Item No. 8** of this Notice.

#### **Item No. 9**

Shri Puspendu Chattopadhyay, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, was appointed as the Whole-time Director of the Company for a period of 2 (two) years with effect from 2<sup>nd</sup> July, 2022 whose office shall not be liable to determination by retirement of directors by rotation.

Shri Puspendu Chattopadhyay is not disqualified from being 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 Chattopadhyay 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 appointment of Shri Puspendu Chattopadhyay are enumerated hereunder:

- i. **Salary:** Rs.60,000/- per month or such other sum as would be determined by the Chairman from time to time.
- ii. **Perquisites:** The Whole-time Director shall also be entitled to any other perquisite as may be decided by the Chairman from time to time subject to an amount equal to the annual salary. 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.
- iii. Shri Chattopadhyay shall not be paid any sitting fee for attending the meeting of the Board or any Committee thereof.
- iv. 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 Chattopadhyay 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.
- v. Shri Chattopadhyay 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.
- vi. Shri Chattopadhyay 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.

Except Shri Puspendu Chattopadhyay, 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. 9** of the Notice.

The Board of Directors recommends passing of proposed **Ordinary Resolution** as set out at **Item No. 9** of the Notice.

#### **Item No. 10**

Shri Mohan Lal Agarwal is B. Com., MBA and he is young, energetic and dynamic person. Shri Mohan Lal Agarwal, aged about 29 years has been appointed as an Additional Director of the Company by the Board of directors at its meeting held on 2<sup>nd</sup> July, 2022 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 Mohan Lal Agarwal would benefit the Company, given the knowledge, experience and performance of Shri Agarwal, and contribution to Board process by him. Declaration has been received from Shri Agarwal 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 Agarwal fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for appointment as an Independent Director and that he is independent of the management of the Company.

Consent of the Members by way of **Ordinary Resolution** is required for appointment of Shri Agarwal, in terms of Section 149 of the Act.

None of the Directors or key managerial personnel or their relatives, except Shri Mohan Lal Agarwal, being appointee, is interested financially or otherwise, in this **Ordinary Resolution**.

The Board recommends this **Ordinary Resolution** at **Item No. 10** for your approval.

#### **Item No. 11**

Shri Sudhir Kumar is retired IAS and he is on the Board of various Companies as Independent Director. Shri Kumar, was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 2<sup>nd</sup> July, 2022 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 Sudhir Kumar would benefit the Company, given the knowledge, experience and performance of Shri Kumar, and contribution to Board process by him. Declaration has been received from Shri Kumar 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 Kumar fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations, 2015 for appointment as an Independent Director and that he is independent of the management of the Company.

Consent of the Members by way of **Ordinary Resolution** is required for appointment of Shri Kumar, in terms of Section 149 of the Act.

None of the Directors or key managerial personnel or their relatives, except Shri Sudhir Kumar, being appointee, is interested financially or otherwise, in this **Ordinary Resolution**.

The Board recommends this **Ordinary Resolution** at **Item No. 11** for your approval.

#### **Item No. 12**

As per provisions of the Companies Act, 2013 and Clause 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company shall have at least one Woman Director. Hence, Smt. Frenny Megotia, who is B.Com., CS, was appointed as Additional Director of the Company by the Board with effect from 2<sup>nd</sup> July, 2022 and she holds office upto the date of Annual General Meeting and is eligible for appointment as Director of the Company.

Smt. Frenny Megotia has wide experience in serving in various companies. The Directors are of the opinion that her knowledge and experience will be of benefit to the Company.

The Board of Directors, therefore, recommends that the **Ordinary Resolution** set out in **Item No. 12** of the Notice convening the meeting be approved and passed.

Consent of the Members by way of **Ordinary Resolution** is required for appointment of Smt. Frenny Megotia, in terms of Section 149 of the Act.

No other Director, Key Managerial Personnel or relatives, except Smt. Frenny Megotia, being the appointee, to whom this Resolution relates is interested or concerned in the **Ordinary Resolution** set out at **Item No. 12** of the Notice.

#### **Item No. 13**

M/s. J K V S & Co., *Chartered Accountants* were appointed as the Statutory Auditors of the Company for a term of five years till the conclusion of 26<sup>th</sup> Annual General Meeting (AGM) of the Company scheduled to be held on 10<sup>th</sup> August, 2022 and would retire at the conclusion of the said AGM. Accordingly, as per the requirements of the Act, M/s. Anand Gupta & Associates, *Chartered Accountants*, (Firm Registration Number: 330186E) are proposed to be appointed as the Statutory Auditors of the Company, for a period of 5 years, commencing from the conclusion of 26<sup>th</sup> Annual General Meeting upto the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held in the calendar year 2027. M/s. Anand Gupta & Associates, *Chartered Accountants*, has consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141 of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Director/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the **Ordinary Resolution** set out at **Item No. 13** of the notice.

The Board recommends the Resolution at **Item No. 13** to be passed as **an Ordinary Resolution**.

#### **Item No. 14:**

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 31<sup>st</sup> March, 2023.

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, consent of the Members is sought for passing an **Ordinary Resolution** as set out at **Item No. 14** of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended 31<sup>st</sup> March, 2023.

The Board recommends the approval of the remuneration payable to M/s N. Radhakrishnan & Co., *Cost Accountants* for conducting the cost audit and passing of the **Ordinary Resolution** set out at **Item No. 14** 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.

**Annexure 1 to the Notice and Statement**
**INFORMATION RELATING TO DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT AT THE 26<sup>TH</sup> ANNUAL GENERAL MEETING AND/OR SEEKING FIXATION /VARIATION OF REMUNERATION**

As per the requirement of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard-2 (Revised) as issued by the Institute of Company Secretaries of India, a statement containing the requisite details of the concerned Directors is given below:

Name of the Directors	Shri Surendra Kumar Agarwal	Shri Sunil Jain	Shri Mayank Goyal	Shri Akhil Jain
Category of Director/ Designation / Position in the Company	A Whole-time Director designated as Executive Chairman in Promoter Category.	Managing Director in Promoter Category.	Non-Executive Director in Promoter Category.	Non-Executive Director in Promoter Category.
DIN	00464907	00486597	06476192	06635949
Date of Birth/Age	30-09-1960	24-03-1963	24-02-1986	31-10-1987
Profile/Background Details, Recognition or awards	Shri Surendra Kumar Agarwal has completed his Bachelor's degree of Commerce from Calcutta University and has over 35 years of experience in the area of management, finance, and administration, etc.	Shri Sunil Jain has completed his Bachelor's degree in Commerce from Delhi University and has over 25 years of experience in the field of marketing.	Shri Mayank Goyal is B. Com., CA, CS and has over 10 years of experience in the area of finance and administration.	Shri Akhil Jain is B. Com., MBA and has over 10 years of experience in the area of marketing.
Qualifications	B. Com.	B. Com.	B. Com., CA, CS	B. Com., MBA
Experience and Expertise in specific functional area	Shri Surendra Kumar Agarwal has over 35 years of experience in the area of management, finance and administration, etc.	Shri Sunil Jain has over 25 years of experience in the field of marketing.	Shri Mayank Goyal has over 10 years of experience in the area of finance and administration.	Shri Akhil Jain has over 10 years of experience in the area of marketing.
Terms and conditions of appointment or re-appointment	He has been appointed as Whole-time Director designated as Executive Chairman of the Company for a period of 5(five) years w.e.f. 2 <sup>nd</sup> July, 2022.	He has been appointed as Managing Director of the Company for a period of 5(five) years w.e.f. 2 <sup>nd</sup> July, 2022.	His appointment as Director is subject to retiring by rotation.	His appointment as Director is subject to retiring by rotation.
Remuneration last drawn by such person, if applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Remuneration sought to be paid	Appointed without remuneration.	Appointed without remuneration.	Not applicable.	Not applicable.
Date of First Appointment (appointment as an Additional Director on the Board)	22.06.2022	22.06.2022	22.06.2022	22.06.2022
Membership/Chairmanship of Committees of the Board of the Company –Reliance Jute Mills (International) Limited	Nil	Nil	Member-Audit Committee Member-Stakeholders Relationship Committee	Member-Nomination and Remuneration Committee

<b>Director in Unlisted Companies (excluding foreign companies) and Membership/Chairmanship of Committees of such Boards</b>	◇ Jai Shri Ram Vyapaar Pvt. Ltd. ◇ Linkpoint Dealtrade Pvt. Ltd. ◇ S D Polytech Pvt. Ltd. ◇ Unity Nirman Pvt. Ltd. ◇ Shri Durga Fibre Products Pvt. Ltd. ◇ Planet Tie-up Pvt. Ltd.	◇ Valuetime Sales Pvt. Ltd. ◇ Linkpoint Dealtrade Pvt. Ltd. ◇ S D Polytech Pvt. Ltd. ◇ Shri Durga Fibre Products Pvt. Ltd. ◇ Planet Tie-up Pvt. Ltd.	◇ Lupin Infotech Pvt. Ltd. ◇ TVL Engineers Pvt. Ltd. ◇ Shyamrai Ecopack Pvt. Ltd. ◇ Maryland Suppliers Pvt. Ltd. ◇ Syringa Mercantile Pvt. Ltd. ◇ Jagjanani Sales Pvt. Ltd. ◇ Anupam Advisory Pvt. Ltd.	◇ Anupam Nirman Pvt. Ltd. ◇ TVL Engineers Pvt. Ltd. ◇ Shyamrai Ecopack Pvt. Ltd. ◇ Unity Nirman Pvt. Ltd. ◇ Jagjanani Sales Pvt. Ltd.
<b>No. of Shares held in the Company</b>	Shri Surendra Kumar Agarwal doesn't hold any share in the Company as on date but pursuant to the Sale Purchase Agreement he is to acquire 3,50,201 equity shares representing 13.52% of the total paid-up equity share capital of the Company.	Shri Sunil Jain doesn't hold any share in the Company as on date but pursuant to the Sale Purchase Agreement he is to acquire 2,40,053 equity shares representing 9.27% of the total paid-up equity share capital of the Company.	Shri Mayank Goyal holds 3,00,000 equity shares representing 11.59% of the total paid-up equity share capital of the Company as on date	Shri Akhil Jain doesn't hold any share in the Company as on date but pursuant to the Sale Purchase Agreement he is to acquire 2,70,386 equity shares representing 10.44% of the total paid-up equity share capital of the Company.
<b>Relationship with other Directors, Manager and other KMP of the Company</b>	Shri Surendra Kumar Agarwal, except his son Shri Mayank Goyal, is not related to any existing Directors, Manager and other KMP of the Company.	Shri Sunil Jain, except his son Shri Akhil Jain, is not related to any existing Directors, Manager and other KMP of the Company.	Shri Mayank Goyal, except his father Shri Surendra Kumar Agarwal, is not related to any existing Directors, Manager and other KMP of the Company.	Shri Akhil Jain, except his father Shri Sunil Jain, is not related to any existing Directors, Manager and other KMP of the Company.
<b>No. of Meetings of the Board attended during the year</b>	Not Applicable.	Not Applicable.	Not Applicable.	Not Applicable.

Name of the Directors	Shri Puspendu Chattopadhyay	Shri Mohan Lal Agarwal	Shri Sudhir Kumar	Smt. Frenny Megotia
Category of Director/ Designation / Position in the Company	Whole-time Director	Independent Director	Independent Director	Independent Director
DIN	05276483	09584050	02669103	09634474
Date of Birth/Age	01.10.1952	22.05.1993	27.06.1956	09.06.1990
Profile/Background Details, Recognition or awards	Shri Puspendu Chattopadhyay is B.Sc. and General Management from IIM, Joka, Kolkata. He has expertise in jute manufacturing and marketing. Over a period of 40 years.	Shri Mohan Lal Agarwal is qualified MBA. He is young, energetic and dynamic person. He has experience of 4 years in manufacturing industry.	Shri Sudhir Kumar is a retired IAS. He has vast administrative experience in different areas. He is on the Board of many Companies.	Smt. Frenny Megotia has experience in maintaining accounts in various companies. She also has experience in preparing Board resolutions and minutes of the meetings.
Qualifications	B. Sc., General Management from IIM, Joka, Kolkata.	B. Com., MBA	IAS	B. Com., CS
Experience and Expertise in specific functional area	Shri Puspendu Chattopadhyay is B.Sc. and General Management from IIM, Joka, Kolkata. He has expertise in jute manufacturing and marketing. Over a period of 40 years	Shri Mohan Lal Agarwal has experience of over 4 years in the area of manufacturing, accounts and other commercial activities.	.Shri Sudhir Kumar has experience of over 40 years in administration in various Govt. and Non-Govt. organizations.	Smt. Frenny Megotia has experience in accounts, secretarial functions in various companies.
Terms and conditions of appointment or re-appointment	He has been appointed as Whole-time Director of the Company for a period of 2(two) years w.e.f. 2 <sup>nd</sup> July, 2022 subject to approval by the Members at the AGM	He has been appointed as an Independent Director of the Company for a period of 5(five) years w.e.f. 2 <sup>nd</sup> July, 2022 subject to approval by the Members at the AGM	He has been appointed as an Independent Director of the Company for a period of 5(five) years w.e.f. 2 <sup>nd</sup> July, 2022 subject to approval by the Members at the AGM	She has been appointed as an Independent Director of the Company for a period of 5(five) years w.e.f. 2 <sup>nd</sup> July, 2022 subject to approval by the Members at the AGM
Remuneration last drawn by such person, if applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.
Remuneration sought to be paid	Rs.60,000/- per month	Not applicable.	Not applicable.	Not applicable.

<b>Date of First Appointment (appointment as an Additional Director on the Board)</b>	02.07.2022	02.07.2022	02.07.2022	02.07.2022
<b>Membership/Chairmanship of Committees of the Board of the Company – Reliance Jute Mills (International) Limited</b>	Nil	Member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee	Member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee	Nil
<b>Director in Unlisted Companies (excluding foreign companies) and Membership/Chairmanship of Committees of such Boards</b>	♦ Sailputri Realtor Private Limited	Nil	<ul style="list-style-type: none"> <li>♦ Vishakhapatnam Port Road Company Limited</li> <li>♦ Mumbai-Jnpt Port Road Company Limited</li> <li>♦ Mormugao Port Road Company Limited</li> <li>♦ Chennai-Ennore Port Road Company Limited</li> <li>♦ National Highways Logistics Management Limited</li> <li>♦ Paradip Port Road Company Limited</li> <li>♦ New Mangalore Port Road Company Limited</li> <li>♦ Tuticorin Port Road Company Limited</li> <li>♦ Calcutta-Haldia Port Road Company Limited</li> </ul>	Nil
<b>No. of Shares held in the Company</b>	Shri Puspendu Chattopadhyay doesn't hold any share in the Company.	Shri Mohan Lal Agarwal doesn't hold any share in the Company.	Shri Sudhir Kumar doesn't hold any share in the Company.	Smt. Frenny Megotia doesn't hold any share in the Company.
<b>Relationship with other Directors, Manager and other KMP of the Company</b>	Shri Puspendu Chattopadhyay is not related to any Directors, Manager and other KMP of the Company.	Shri Mohan Lal Agarwal is not related to any existing Directors, Manager and other KMP of the Company.	Shri Sudhir Kumar is not related to any existing Directors, Manager and other KMP of the Company.	Smt. Frenny Megotia is not related to any existing Directors, Manager and other KMP of the Company.
<b>No. of Meetings of the Board attended during the year</b>	Not Applicable.	Not Applicable.	Not Applicable.	Not Applicable.

[Shri Surendra Kumar Agarwal, Shri Sunil Jain, Shri Mayank Goyal, Shri Akhil Jain, Shri Puspendu Chattopadhyay, Shri Mohan Lal Agarwal, Shri Sudhir Kumar and Smt. Frenny Megotia are not disqualified and/or debarred by virtue of any order passed by the Securities and Exchange Board of India, Ministry of Corporate Affairs, any Court or any such other Statutory Authority, to be appointed /re-appointed or to continue as a Director in any Company]

**Registered Office:**  
 13/C, Kashi Nath Mullick Lane  
 1<sup>st</sup> Floor, Kolkata-700073  
 Dated: 2<sup>nd</sup> day of July, 2022

**By Order of the Board**  
**For Reliance Jute Mills (International) Limited**  
 (Sweety Jhunjunwala)  
 Company Secretary



## BOARD'S REPORT TO THE MEMBERS

**Dear Members,**

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report covering the operational and financial performance of the Company along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2022.

### FINANCIAL HIGHLIGHTS & SUMMARY

(Amount in Rs. '000)

Particulars	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>Revenue from operations</b>	<b>15,21,783</b>	17,29,417
Other Income	1,796	548
<b>Total</b>	<b>15,23,579</b>	17,29,965
<b>Profit/(Loss) before Exceptional items &amp; Taxation</b>	<b>(2,39,022)</b>	(2,16,154)
<b>Exceptional item</b>	<b>1,29,083</b>	-
<b>Profit/(Loss) before Taxation</b>	<b>(1,09,939)</b>	(2,16,154)
<b>Provision for Taxation</b>	-	-
<b>Net Profit/(Loss)</b>	<b>(1,09,939)</b>	(2,16,154)
<b>Other Comprehensive Income / (Loss) (net of tax)</b>	<b>49,979</b>	(18,201)
<b>Total Comprehensive Income / (Loss)</b>	<b>(59,960)</b>	(2,34,355)

Your Company has prepared the Financial Statements for the year ended 31<sup>st</sup> March, 2022 in terms of Sections 129, 133 and Schedule II to the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

### DIVIDEND

Your directors don't recommend dividend on equity shares in view of the loss incurred during the year and non-availability of any carry forward surplus.

### SHARE CAPITAL

The Authorised Share Capital of the Company as on 31<sup>st</sup> March, 2022 stood at Rs.18,01,00,000 divided into 30,10,000 equity shares of Rs.10 each and 15,00,000 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.

### OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Sales turnover and production during the year under review decreased to Rs. 15,218 lacs and 14,286 MT. as compared to Rs.17,294 lacs and 19,497 MT respectively in the previous year. Raw jute prices remained very volatile and rose to new highs due to hoarding by certain sections of the traders and meagre availability of jute in market which badly affected operations of the company and the Jute Industry as a whole. The operations at the Mill remained under suspension of work for the period from 25<sup>th</sup> April, 2021 due to the above reason and resumed operations from 27<sup>th</sup> July, 2021 after the arrival of the new crop., further, the Jute Commissioner's office capped "the reasonable" price of raw jute at Rs.6,500 per quintal from 1<sup>st</sup> October 2021, whereas the market prices of raw jute ruled much higher than the market. This further added to the losses as the price of Govt. B Twill bags are based on the quoted prices which were fixed and the company had to procure jute at much higher prices. Not able to sustain further losses, the management declared suspension of work at the mill from 27<sup>th</sup> January, 2022 to 31<sup>st</sup> March, 2022 which continued till 7<sup>th</sup> May, 2022. The Jute Commissioner's Office has withdrawn the capping of raw jute prices vide a notification in May 2022.

The existing promoter and promoter group have entered into a Sale Purchase Agreement (SPA) on 21<sup>st</sup> April, 2022 for sale of their entire shareholding in the company to the prospective promoter and promoter group on going concern basis. The acquiring promoter and promoter group is committed to infuse substantial funds in the business of the company which would help revive the company. Pursuant to the provisions of the Companies Act, 2013 and various Rules and Regulations including SEBI Regulations, the process of transfer of Management of the Company to the forthcoming promoters/promoters group/PACs is on the verge of completion. Permission has been received from SEBI for the Public Offer and the date of commencement of tendering period ("Offer Opening Date") is 22<sup>nd</sup> June, 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Jute Industrial sector is an important segment of Indian economy. Jute has been the most versatile natural fibre. The jute sector produces products ranging from low value geo-textile to high end jute made ups including sacking, hessian, yarn, decorative fabrics etc. In our country, due to the growing environmental concerns, state and central government started making laws and banning the use of single use plastic bags and items which may create a huge demand for low cost shopping bags.

As yet consecutive year, the Met office has forecasted that the monsoon in India will remain normal and hence raw jute crop of ensuing crop season appears to be very encouraging. The price of the raw jute has dropped to some extent and the closed mills have started production. It is expected that remaining period of current financial year will be better than previous year because good monsoon during the current year leading to a bumper crop of raw jute.

Recession is looming large in global market scenario due to Russia-Ukraine conflicts and there is uncertainty in improvement in export market for jute products.

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

Jute is a natural fibre obtained from the bark of the white jute plant or the tossa jute plant. It is also known as the golden fibre owing to its golden and silky shine, and is extensively used in the manufacturing of packaging products and textiles. As a packaging material, jute offers advantages such as good insulation, low thermal conductivity and moderate moisture retention. On account of this, jute bags are used as packaging material for bulk goods as well as shopping and gift bags.

The global jute shopping bag industry is currently at a nascent stage with encouraging growth aspects. The demand for jute bags has witnessed a surge over the past few years, particularly in the European Union. This can be attributed to the growing environment consciousness in the region. The imports of jute bags in non-producing countries have also been facilitated by the ban on plastic packaging materials and bags. Additionally, the benefits offered by jute bags such as their biodegradability, durability, low cost, high strength, etc. have further supported the market growth.

The Indian jute industry is having plenty of opportunity by its side; it is not only one of the oldest industries of India but also among the major employer of the nation. There are a lot of strengths and also much chance to seize them but it could only be done if it overcomes its weaknesses and threats.

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

- ✓ Threat of dilution from the Government by amending JPMA Guidelines. .
- ✓ Cut throat competition from Bangladesh in export market which continues to enjoy benefits in the form of lower costs and government subsidies.
- ✓ Further decline in Global markets due to extraneous geo-political reasons.
- ✓ Increase in wage cost without linking to productivity which constitutes high proportion of production costs in a labour intensive industry.
- ✓ Shortage of raw jute due to unfavourable weather conditions.

### 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**

Jute crop during the current year seems to be better than the previous year due to favourable weather conditions. Raw jute prices may also soften, barring unforeseen circumstances. Indian jute industry is largely dependent on captive demand for sacking due to the Jute Packaging Material (Compulsory Use in Packing Commodities) Act, 1987. The government demand is very robust. The Company expects to supply the requirement during 2022-23. Uncertainty in escalation of Russian-Ukraine conflicts is continuing and the company cannot escape from the likely impact thereof.

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**

The operations at the Mill remained under suspension of work for the period from 25<sup>th</sup> April, 2021 to 27<sup>th</sup> July, 2021 and from 27<sup>th</sup> January, 2022 to 31<sup>st</sup> March, 2022 which continued till 7<sup>th</sup> May, 2022 severely affecting the performance of the Company. The production and productivity during the year under review remained very low.

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 except during some part of the year when the management was forced to declare suspension of work due to various reasons.

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.

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

Existing Promoters and promoters group have entered into a Sale Purchase Agreement (SPA) on 21<sup>st</sup> April, 2022 for sale of their shares with prospective promoters and promoter group who are committed to infuse substantial cash into the business of the company and it is expected that the commitment, if fulfilled, may turn around the performance of the company, with the infusion of additional funds.

Except those disclosed in this Annual Report, there has been no material changes and/or commitments which may affect the financial position of the Company between the end of the financial year, i.e. 31<sup>st</sup> March, 2022 and the date of this Report.

**CREDIT RATING**

The various credit facilities provided by Punjab National Bank to the Company has been restructured w.e.f. 29<sup>th</sup> September, 2021 based on their internal credit rating and accordingly, entire fund based limit has been converted into working capital term loan while non-fund based limit remaining the same. Hence, credit rating from external agency is not required to be carried out.

**DEPOSITS**

Your Company has not accepted any deposits covered under 'Chapter V – Acceptance of Deposits by Companies' in terms of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year ended 31<sup>st</sup> March, 2022.

**BOARD OF 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. Your Board has been constituted with requisite diversity, wisdom, expertise and experience commensurate to the scale of operations of your company.

**Executive Chairman**

Shri Pawan Kumar Kanoria, (holding DIN: 00305297) has been re-appointed as Whole-time Director designated as the Executive Chairman of the Company for a further period of 5 (five) years with effect from 1<sup>st</sup> April, 2022 after expiry of his previous term of 5(five) years on 31<sup>st</sup> March, 2022.

**Managing Director**

Shri Sanjay Hada, (holding DIN: 00305476) was re-appointed as Managing Director and Chief Executive Officer (CEO) of the Company for a further period of 5(five) years with effect from 1<sup>st</sup> January, 2019, the present term of his appointment as Managing Director and CEO will be completed on 31<sup>st</sup> December, 2023.

**Non-Executive Director**

Smt. Smita Poddar (holding DIN: 01204391), Non-Executive Woman Director resigned from the directorship of the company w.e.f. 16<sup>th</sup> October, 2021. Smt. Sonal Hada, who was appointed as Alternate Director to Smt. Smita Poddar also resigned from the directorship of the Company w.e.f. 16<sup>th</sup> October, 2021.

Shri Shiv Kumar Seksaria (holding DIN: 00309725), retires from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

**Non-Executive Independent Director**

Dr. Pranab Kumar Mookerjee, Non-Executive Independent Director resigned from the directorship of the Company w.e.f. 1<sup>st</sup> October, 2021.

In compliance of Section 149(1) of the Companies Act, 2013, Smt. Vijaya Chetlangia, was appointed as an Additional Director of the Company w.e.f. 14<sup>th</sup> February, 2022 in the category of Non-executive Independent Director subject to approval by the members of the Company at the ensuing Annual General Meeting. She has resigned from the directorship of the Company with effect from 26<sup>th</sup> April, 2022.

**Statement of Declarations Given by Independent Directors**

Shri Pradeep Kumar Jain, Shri Piyushn Bhartia and Shri Rohit Banka, Independent Directors of your Company have declared to the Board of Directors that they meet the criteria of Independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of the Listing Regulations and there is no change in the status of their Independence and have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that they could impair or impact their ability to discharge their duties.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

**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 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 recommends 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 5 (five) times during the year under review. More details are available in the Corporate Governance Report.

## KEY MANAGERIAL PERSONEL

As on date of this Report, Shri Pawan Kumar Kanoria (DIN: 00305297), Executive Chairman, Shri Sanjay Hada (DIN: 00305476), Managing Director & CEO, Shri Deo Kishan Kothari, CFO and Smt. Sweety Jhunjunwala, Company Secretary are the Key Managerial Personnel (KMP) of your Company.

Shri Shiv Kumar Agarwal, President (Finance) & Company Secretary and CFO, resigned from the employment of the Company with effect from 1<sup>st</sup> September, 2021 and his resignation has been accepted by the Board with effect from that date.

Shri Deo Kishan Kothari who was appointed as President (Finance) of the Company with effect from 16<sup>th</sup> October, 2021, re-designated as Chief Financial Officer (CFO) of the Company with effect from 12<sup>th</sup> November, 2021 by the Board at its meeting held on 12<sup>th</sup> November, 2021.

Smt. Sweety Jhunjunwala has been appointed as Company Secretary and Compliance Officer of the Company by the Board of Directors at its meeting held on 14<sup>th</sup> February, 2022 to join with effect from 28<sup>th</sup> March, 2022.

## CORPORATE GOVERNANCE

The Corporate Governance Report is attached as *Annexure – I* which forms part of this report.

## AUDIT AND AUDITORS

M/s. J K V S & Co., *Chartered Accountants*, (ICAI Firm Registration No. 318086E), Statutory Auditors of the Company was appointed for a consecutive tenure of five years to hold office upto 2022. The tenure of appointment of the Statutory Auditors expires at the ensuing Annual General Meeting.

Based on the recommendation of the Audit Committee, your Board at its meeting held on 22<sup>nd</sup> June, 2022 appointed M/s. Anand Gupta & Associates, *Chartered Accountants*, (ICAI Firm Registration No. 330186E), as Statutory Auditors of the Company in place of the retiring Auditors, M/s. J K V S & Co., *Chartered Accountants*, (ICAI Firm Registration No. 318086E), to hold office from the conclusion of the ensuing Annual General Meeting **until** the conclusion of the 31<sup>st</sup> Annual General Meeting to be held in the year 2027 subject to approval of the members of the Company at the ensuing Annual General Meeting.

A certificate from M/s. Anand Gupta & Associates, *Chartered Accountants*, (ICAI Firm Registration No. 330186E), has been received to the effect that they meet the criteria as laid down under Sections 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and the certificate by the Peer Review Board (ICAI) as required under the provisions of Regulation 33 of the Listing Regulations is under process, and are willing to be appointed as Statutory Auditors of the Company. The proposal for their appointment shall be included in the notice convening the 26<sup>th</sup> Annual General Meeting for obtaining approval of the members of the Company.

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

Statutory Auditors in their report have expressed their qualified opinions as under:

The Company has incurred cash losses during the current as well as previous year and as of March 31, 2022, the Company's net worth is completely eroded. Further, its current liabilities exceed the current assets. However, in view of above uncertainties the auditors are unable to comment upon the ability of the company to continue as going concern and its consequential adjustments to the accompanying financial results.

Audit Qualification has been given for the first time. However, the matter has been given under "Material uncertainty relating to Going concern" paragraph in Auditor's Report for previous ended 31<sup>st</sup> March, 2021.

Other observations in the Audit Report are self-explanatory.

Observations and opinions of the Statutory Auditors in their Report have been adequately dealt with in the Note to the Accounts which is briefly explained hereunder:

The company has received an amount of Rs. 1,11,781 thousand against an insurance claim of Rs.1,52,905 thousands in respect of fire at finished goods godowns in September, 2014 and the balance total amount receivable upto 31st March, 2020 have been awarded by the Arbitrator by way of Arbitration proceedings is Rs.68,420 thousands which have been accounted in earlier years and is lying as Claim Receivable. The management is hopeful of receiving the claim and adjustment, if any, required will be made on actual receipt of the amount in this respect.

As a result of continuous losses and acute financial crisis, the company has requested its unsecured lenders for one-time settlement of the outstanding borrowings as at March 31, 2022 which has been accepted by majority of the lenders. Accordingly, Rs.1,29,083 thousands being the differential amount of outstanding borrowings and settlement amount has been accounted for 'Exceptional Item' during the year ended 31<sup>st</sup> March, 2022. The entire payable amount of Rs. 14,343 thousand has been paid to the respective lenders on 8<sup>th</sup> April, 2022.

The Company has incurred cash losses during the current year ended 31st March, 2022 as well as in the previous years. Further, the net worth of the company has completely eroded and its current liabilities exceed current assets. However, in view of the proposed transfer of shares to the prospective promoters and promoter group and expected increased financial support from them, the financial statements for the year ended 31<sup>st</sup> March, 2022 have been prepared on the going concern basis.

Further, it is expected that on fulfilment of the Sale Purchase Agreement (SPA), the forthcoming management may turn around the performance of the company by their business agility.

### **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 had 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 31<sup>st</sup> March, 2022 and to submit Secretarial Audit Report in Form No. MR-3.

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, observations or remarks made by the Secretarial Auditor in the Report. The observations in the Report are self-explanatory. However, there was some delay in appointment of Woman Director and Company Secretary mainly due to non-availability of suitable candidates in time to fill up the posts. Moreover, there was some delay in submission of statements and reports to the concerned authorities mainly due to closure of the company during major part of financial year. The Company has taken a note in this respect and henceforth will take care of filing the statements and reports within due date



## **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-imbursalment 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 1<sup>st</sup> April, 2022 and ending on 31<sup>st</sup> March 2023 as required in terms of the Companies (Cost Records and Audit) Amendment Rules, 2015.

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 31<sup>st</sup> March, 2021 with the Central Government was 30<sup>th</sup> September, 2021 and the said report was filed by the Cost Auditor within the due date.

## **EXTRACT OF THE ANNUAL RETURN**

The draft of the Annual Return in Form No. MGT-7 of the Company as on 31<sup>st</sup> March, 2022 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 uploaded on the Company's website [www.reliancejute.com](http://www.reliancejute.com) pursuant to Notification No. G.S.R. 538(E) dated 28<sup>th</sup> August, 2020 and not attached to the Board's Report.

## **SIGNIFICANT AND MATERIAL LITIGATIONS/ORDERS**

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

## **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**

In terms of Section 186 of the Companies Act, 2013 and Rules framed thereunder, particulars of loans given and investments made by the Company have been disclosed in the Note No.12 to the Financial Statements for the year ended 31<sup>st</sup> March, 2022, which forms part of the Annual Report. Your Company has not given any guarantee or provided any security during the year under review.

## **AUDIT COMMITTEE**

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

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.

### **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 31<sup>st</sup> March, 2022, 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 and were in compliance with the applicable provisions of the Companies Act, 2013 ((Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Form AOC-2 containing the details of the material Related Party Transactions entered into during the Financial Year 2021-22 as per the Related Party Transactions Policy is attached as *Annexure – III* to this Report and forms a part of it. The Related Party Transaction Policy as approved by the Board is available on the website of the Company.

### **SUBSIDIARIES**

The Company doesn't have any subsidiary company.

### **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.

### **DISCLOSURES ON REMUNERATION OF DIRECTORS AND EMPLOYEES OF THE COMPANY**

Disclosure in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) 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](http://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.

**Ideal Plaza, 11/1, Sarat Bose Road,  
Kolkata, the 22<sup>nd</sup> June, 2022**

**For and on behalf of the Board  
P. K. KANORIA  
Chairman  
(DIN:00305297)**

## 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) Limited 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. Date of Report

The information provided in this Report on Corporate Governance for the purpose of unanimity is as on 31<sup>st</sup> March, 2022. This Report is updated as on the date of the Report wherever applicable.

### 3. Board of Directors

#### a. Composition and Category of Directors

The Board of Directors (the Board) consists of 7 (Seven) 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), one non-promoter Non-Executive Director.

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

#### b. Details of Directors

Shri Pawan Kumar Kanoria was re-appointed as Executive Chairman of the Company w.e.f. 1<sup>st</sup> April, 2022 for a period of 5 (five) years. The present term of his appointment as Executive Chairman will be completed on 31<sup>st</sup> March, 2027. 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 & CEO of the Company for a period of 5 (five) years with effect from 1<sup>st</sup> January, 2019. The present term of his appointment as Managing Director and CEO will be completed on 31<sup>st</sup> December, 2023. He 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 Shiv Kumar Seksaria was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> October, 2020 to hold office only upto the Annual General Meeting which was to be held after the date of his appointment. He was re-appointed as Director by the members of the Company at their Annual General Meeting held on 15<sup>th</sup> September 2021.

Dr. Pranab Kumar Mookerjee, Independent Director, who was appointed as Director with effect from 22<sup>nd</sup> January, 2000, resigned from the directorship of the Company with effect from 1<sup>st</sup> October, 2021.

Smt. Smita Poddar who was appointed as Non-Executive Woman Director with effect from 30<sup>th</sup> March, 2015, resigned from the directorship of the Company with effect from 16<sup>th</sup> October, 2021 and Smt. Sonal Hada who was appointed as an Alternate Director to Smt. Smita Poddar on 20<sup>th</sup> June, 2018, also resigned from the directorship of the Company with effect from 16<sup>th</sup> October, 2021.

Smt. Vijaya Chetlangia was appointed as an Additional Director in the category of Independent Director on 14<sup>th</sup> February, 2022 in compliance with the requirement of Section 149(1) of the Companies Act, 2013 subject to approval by the members at the ensuing Annual General Meeting. She has resigned from the directorship of the Company with effect from 26<sup>th</sup> April, 2022.

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 (ICSI), the required information about the Director proposed to be re-appointed has been annexed to the Notice convening the 26<sup>th</sup> 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.

**d. Shareholding of Directors and Key Managerial Personnel**

As on 31<sup>st</sup> March, 2022 following shares of the Company were held by Directors and Key Managerial Personnel of the Company:

Name	Designation	No. of shares held as on 31.03.2022
Shri Pawan Kumar Kanoria	Executive Chairman	4,05,566
Shri Shiv Kumar Seksaria	Non-Executive Director	110

**e. Board Meetings, Annual General Meeting and Attendance**

During the financial year ended 31<sup>st</sup> March, 2022, five Board Meetings were held on 5<sup>th</sup> May, 2021, 30<sup>th</sup> June, 2021, 14<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022.

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 25<sup>th</sup> March, 2022 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 15 <sup>th</sup> September, 2021
	Held	Attended		
Shri Pawan Kumar Kanoria	5	5	–	Yes
Shri Sanjay Hada	5	5	–	Yes
Smt. Smita Poddar*	5	–	–	No.
Smt. Sonal Hada-Alternate Director*	5	3	9,000	No
Dr. Pranab Kumar Mookerjee**	5	3	9,000	No
Shri Pradeep Kumar Jain	5	5	15,000	Yes
Shri Piyush Bhartia	5	5	15,000	No
Shri Rohit Banka	5	4	12,000	Yes.
Shri Shiv Kumar Seksaria	5	5	15,000	No
Smt. Vijaya Chetlangia#	–	–	–	–

\*Resigned w.e.f. 16<sup>th</sup> October, 2021.

\*\*Resigned w.e.f. 1<sup>st</sup> October, 2021.

#Appointed w.e.f. 14<sup>th</sup> February, 2022 and resigned w.e.f. 26<sup>th</sup> April, 2022.

Shri Shiv Kumar Agarwal, President (Finance) & Company Secretary, resigned from the employment of the Company w.e.f. 1<sup>st</sup> September, 2021. He attended all the three meetings of the Board of Directors held before 1<sup>st</sup> September, 2021.

The Directors have access to the complete agenda for meetings along with all relevant annexure and other important information through email ahead of the meeting to enable them to make private notes and comments of the meeting.

**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.

None of the Directors is presently holding directorship in more than 7 listed companies and also none of the Directors is holding directorship in more than 10 public companies.

As required under Para C(2) of Schedule V of the Listing Regulations, based on the latest disclosures received by the Company, following are the number of other directorships and the names of the listed entities where Directors of the Company are also a Director and the category of their directorships therein.

Name of Directors	No. of other Directorships including the Company*	Directorships and its category in listed entities other than the Company
Shri Pawan Kumar Kanoria	2	–
Shri Sanjay Hada	5	1. Uma Properties & Traders Limited 2. Runit Investments Co. Ltd.
Dr. Pranab Kumar Mookerjee@	4	1. Huldibari Industries & Plantation Co Ltd 2. Mcleod & Co Ltd
Shri Pradeep Kumar Jain	1	–
Shri Piyush Bhartia	2	–
Smt. Smita Poddar#	1	–
Shri Rohit Banka	1	–
Shri Shiv Kumar Seksaria	1	–

\*Excludes memberships of the managing committee of various chambers/bodies corporate, directorships in private limited companies, foreign companies, companies registered under section 8 of the Act and alternate directorships.

@Ceased w.e.f. 1<sup>st</sup> October, 2021.

#Ceased w.e.f. 16<sup>th</sup> October, 2021.

**h.** In order to encourage active participation from the Independent Directors and also to enable them to understand the business environment of the Company, a Familiarization Programme for the Independent Directors has been adopted and the same is available on the website of the Company on [www.reliancejute.com](http://www.reliancejute.com). Independent Directors of the Company are familiar with the operations of the Jute Industry, its modus operandi and their responsibilities as Independent Director. Familiarization Programme for Independent Directors will be imparted as and when considered necessary by the Board of Directors of the Company.

**i.** In pursuance of Para C (2), Schedule V of the Listing Regulations, the Board of Directors has identified the core skills/expertise/competencies that are desirable for the Company to function effectively in the context of the business of the Company and its sector. These core skills/expertise/competencies are actually available with Board in the following manner:



Sl. No.	Area of core skills/ expertise/ competencies	Name of the Directors who have such skills/expertise/competence
1.	Manufacturing / Operations	Shri Sanjay Hada
2.	Finance and Accounts	Shri Pawan Kumar Kanoria Shri Sanjay Hada Shri Pradeep Kumar Jain Shri PiyushBhartia Shri Rohit Banka Shri Shiv Kumar Seksaria
3.	Sales and Marketing	Shri Pawan Kumar Kanoria Shri Sanjay Hada
4.	Business Strategy, Planning and Risk Management	Shri Pawan Kumar Kanoria Shri Sanjay Hada
5.	Regulatory Compliance, Governance and Stakeholders Management	Shri Pawan Kumar Kanoria Shri Pradeep Kumar Jain Shri PiyushBhartia Shri Rohit Banka

#### 4. 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:

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

\* Ceased w.e.f. 1<sup>st</sup> October, 2021.

##### 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;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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.
- Reviewing utilization of the loans and/or advances from investment by holding company in subsidiary company exceeding Rs.100 Crores or 10% of asset size of subsidiary, whichever is lower.
- Consider and comment on rationale, cost benefits, and impact of schemes involving merger, de merger, amalgamations etc. on the company and its shareholders

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 letters/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 5 meetings of the Audit Committee were held on 5<sup>th</sup> May, 2021, 30<sup>th</sup> June, 2021, 14<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022. 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	5	5	5,000
Shri Sanjay Hada	5	5	–
Dr. Pranab Kumar Mookerjee*	5	3	3,000
Shri PiyushBhartia	5	5	5,000
Shri Rohit Banka	5	4	4,000

\*Ceased w.e.f. 1<sup>st</sup> October, 2021.

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 first three meetings and after that he resigned from the employment of the Company with effect 1<sup>st</sup> September, 2021.

**5. 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	Chairman	Independent Director
Dr. Pranab Kumar Mookerjee*	Member	Independent Director
Shri PiyushBhartia	Member	Independent Director
Shri Rohit Banka	Member	Independent Director

\*Ceased w.e.f. 1<sup>st</sup> October, 2021.

**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, keymanagerial personnel and other employees;

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- 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 Board of Directors.
- Recommend to the Board, all remuneration in whatever form, payable to senior management.

#### b) Attendance

During the financial year ended 31<sup>st</sup> March, 2022, 3 (three) meetings of the Nomination and Remuneration Committee was held on 14<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022.

Name of Directors	No. of Meetings		Fees Paid Rs.
	Held	Attended	
Shri Pradeep Kumar Jain	3	3	1,500
Dr. Pranab Kumar Mookerjee*	3	1	500
Shri PiyushBhartia	3	3	1,500
Shri Rohit Banka	3	2	1,000

\*Ceased w.e.f. 1<sup>st</sup> October, 2021.

#### c) Nomination and Remuneration Policy

In compliance with the requirements of Section 178 of the Act, including Rules framed thereunder and pursuant to the provisions of Regulation 19(4) of the Listing Regulations, the Board of Directors of the Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs), Functional Heads and other employees of the Company. The policy provides for Board diversity criteria and qualifications for appointment of Directors, KMPs and SMPs, remuneration paid/payable to them, etc. The said policy has been uploaded on the website of the Company at [www.reliancejute.com](http://www.reliancejute.com).

#### Non-Executive Non-Independent Directors

The Board of Directors decides on the remuneration of the Non-Executive Director in accordance with the provisions of the Articles of Association of the Company and with the approval of the Members of the Company, if so required. Presently, such Director is paid no remuneration except sitting fees for attending the Board meeting.

#### Non-Executive Independent Directors

Remuneration by way of sitting fees for attending the Board and Committee Meetings are paid to the Independent Directors. They are also entitled to a Commission on Net Profits not exceeding 1% in aggregate of the Net Profits computed in the manner referred to in Section 198 of the Act and Rules framed thereunder, which is distributed among them after the AGM, in such proportion as determined by the Board on the recommendation of the Nomination and Remuneration Committee.

#### Executive Directors

Nomination and Remuneration Committee determines the remuneration to be paid to the Executive Directors of the Company in accordance with their qualifications, experience, managing skills, and the scope of the work and responsibilities assigned to them. The liabilities for Gratuity and Leave Encashment are provided on actuarial basis by the Company as a whole, the amount pertaining to the Directors are not included to the salary and perquisites paid in terms of the Agreement entered with the Executive Directors. Remuneration and perquisites of the Executive Directors include retirement benefits and items which do not form part of their remuneration and perquisites under Section 197 and 198 of the Act and Rules framed thereunder. The Agreement with the Executive Directors are contractual in nature. These Agreements may be terminated at any time by either party giving one month's notice without any cause.

### 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:

- i. Board of Directors as a whole
- ii. Committee of the Board of Directors
- iii. 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 31<sup>st</sup> March, 2022.

### Remuneration to Directors

- a) 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.

### b) 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 31<sup>st</sup> March, 2022 is given below:

Name of Directors	Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. Pranab Kumar Mookerjee*	12,500	–	12,500
Shri Pradeep Kumar Jain	21,500	–	21,500
Shri PiyushBhartia	21,500	–	21,500
Smt. Smita Poddar\$	–	–	–
Smt. Sonal Hada-Alternate Director#	9,000	–	9,000
Shri Rohit Banka	17,000	–	17,000
Shri Shiv Kumar Seksaria	15,000	–	15,000

\*Ceased w.e.f. 1<sup>st</sup> October, 2021.

\$Ceased w.e.f. 16<sup>th</sup> October, 2021.

#Ceased w.e.f. 16<sup>th</sup> October, 2021.

### c) Details of remuneration paid to Executive Directors

Particulars	Shri P. K. Kanoria (Rs.)	Shri S. Hada (Rs.)
Salary and Allowances	48,50,000	69,60,000
Cont. to Provident Fund	3,50,000	4,20,000
Cont. to Superannuation Fund	1,50,000	1,50,000
<b>Total</b>	<b>53,50,000</b>	<b>75,30,000</b>

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 Shri Shiv Kumar Seksaria holds 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. Smt. Smita Poddar has resigned w.e.f. 16<sup>th</sup> October, 2021.

## 7. Constitution of Stakeholders Relationship Committee

### a) Composition

Dr. Pranab Kumar Mookerjee, an Independent Director of the Company, who was the Chairman of the Stakeholders Relationship Committee has resigned w.e.f. 1<sup>st</sup> October, 2021 and accordingly, the composition of Stakeholders Relationship Committee is as follows:

Name of the Directors	Designation	Category
Shri Pradeep Kumar Jain	Member	Independent Director
Shri PiyushBhartia	Member	Independent Director
Shri Rohit Banka	Member	Independent Director

After cessation of Dr. Pranab Kumar Mookerjee, members elect any of them as Chairman of the meeting to preside over the meeting.

### b) Meetings and attendance

During the financial year 4 (four) meetings of Stakeholders Relationship Committee were held on 30<sup>th</sup> June, 2021, 14<sup>th</sup> August, 2021, 12<sup>th</sup> November, 2021 and 14<sup>th</sup> February, 2022. The Attendance of the Directors at these Stakeholders Committee meetings and fees paid to them is given below:

Name of Directors	No. of Meetings		Fees Paid Rs.
	Held	Attended	
Dr. Pranab Kumar Mookerjee*	4	2	–
Shri Pradeep Kumar Jain	4	4	–
Shri PiyushBhartia	4	4	–
Shri Rohit Banka	4	3	–

\*Ceased w.e.f. 1<sup>st</sup> October, 2021.

Shri Shiv Kumar Agarwal, President (Finance) & Company Secretary acted as the Secretary of all the meetings held prior to his resignation w.e.f. 1<sup>st</sup> September, 2021.

### c) Scope of Stakeholders Relationship Committee

The Committee looks into various aspects of interest of shareholders relating to 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.

Apart from above, the Stockholders Relationship Committee has the following role:

- Reviewing of measures taken for effective exercise of voting rights by shareholders.
- Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.



**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 prior to his resignation from the employment of the Company w.e.f. 1<sup>st</sup> September, 2021. The Company has appointed Smt. Sweety Jhunjhunwala as Company Secretary and Compliance Officer by the Board of Directors at its meeting held on 14<sup>th</sup> February, 2022 to join with effect from 28<sup>th</sup> March, 2022 and her contact details are as given below:

Smt. Sweety Jhunjhunwala  
 Company Secretary and Compliance Officer  
 Reliance Jute Mills (International) Ltd.  
 Ideal Plaza, South Block, 4<sup>th</sup> Floor  
 11/1, Sarat Bose Road  
 Kolkata-700 020  
 Tel. No. : (033) 2280 7017/18  
 E-mail : [financeho@reliancejute.com](mailto:financeho@reliancejute.com)

**e) Pledge of shares:**

No pledge of shares has been created over the Equity Shares held by the Promoters as on 31<sup>st</sup> March, 2022.

**f) Details of complaints from shareholders**

No. of complaints remaining unresolved as on 1 <sup>st</sup> April, 2021	Nil
No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints unresolved as on 31 <sup>st</sup> March, 2022	Nil

**8. 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 5<sup>th</sup> May, 2015. Audit Committee, apart from its existing responsibilities, also monitor the areas of risks, its assessment and mitigation.

**9. 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 Ended	Date	Time	Venue	No. of Special Resolutions passed
23 <sup>rd</sup>	31.03.2019	24.09.2019	4.00 PM	Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad 36A, Shorespeare Sarani, 4 <sup>th</sup> Floor, Kolkata-700017	Nil
24 <sup>th</sup>	31.03.2020	29.09.2020	4.00 PM	Ideal Plaza, South Block, 4 <sup>th</sup> Floor 11/1, Sarat Boase Road Kolkata-700020	2
25 <sup>th</sup>	31.03.2021	15.09.2021	4.00 PM	Ideal Plaza, South Block, 4 <sup>th</sup> Floor 11/1, Sarat Boase Road Kolkata-700020	1

No **Special Resolution** was passed at the Annual General Meeting held on 24<sup>th</sup> September, 2019.

At the Annual General Meeting held on 29<sup>th</sup> September, 2020, **2 (two) Special Resolutions** were passed. One Special Resolution was passed for increase in Authorised Share Capital of the Company from Rs.13,01,00,000/- to Rs. 18,01,00,000/-. Second Special Resolution was passed for authorizing Board of Directors of the Company to issue 10,00,000 Redeemable Cumulative Preference Shares of the Company on private placement basis.

At the Annual General Meeting held on 15<sup>th</sup> September, 2021, **1 (one) Special Resolution** was passed for re-appointment of Shri Pawan Kumar Kanoria who has attained the age of over 70 years for a further period of 5(five) years w.e.f. 1<sup>st</sup> April, 2022.

No Extra-ordinary General Meeting (EGM) was held by the Company during the financial year ended 31<sup>st</sup> March, 2022.

**b) Postal Ballot**

No Resolutions were passed through postal ballot during the year under review.

**10. 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.
- 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](http://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](http://www.reliancejute.com)

**11. 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](http://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 21 days before the date of Annual General Meeting.
- c) The Company's website [www.reliancejute.com](http://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:

S. K. Infosolutions Pvt. Ltd.  
 D/42, Katju Nagar Colony  
 Ground Floor, Near South City Mall  
 PO & PS-Jadavpur  
 Kolkata-700032  
 Tel. No.: (033) 24120027/24120029  
 Fax No. : (033) 24120027  
 E~mail :contact@skcinfo.com, [skcdilip@gmail.com](mailto:skcdilip@gmail.com)

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

## 12. General Shareholders Information:

a)	AGM: Date, Time and Venue	:	10 <sup>th</sup> August, 2022 at 4.00 P. M. through two-way video conferencing or other audio-visual means as per details given in the notice calling the Annual General Meeting of even date.
b)	Financial Year	:	The Financial Year of the Company is from 1 <sup>st</sup> April to 31 <sup>st</sup> March.
	Financial Calendar for Financial Year 2022-23		
	1 <sup>st</sup> Quarter Financial Results		By mid-August, 2022
	2 <sup>nd</sup> Quarter Financial Results		By mid-November, 2022
	3 <sup>rd</sup> Quarter Financial Results		By mid-February, 2023
	4 <sup>th</sup> Quarter Financial Results		By end-May, 2023
c)	Date of Book Closure	:	From Thursday, 4 <sup>th</sup> August, 2022 to Wednesday, 10 <sup>th</sup> August, 2022 (both days inclusive).
d)	Dividend payment date	:	No dividend was recommended for declaration for the year ended 31 <sup>st</sup> March, 2022.
e)	Listing of Securities	:	The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata-700 001  All major compliances of the Stock Exchange where the shares of the Company are listed, including, payment of listing fees, submission of quarterly reports and certificates have been made.
f)	Stock Code-PhysicalDemat ISIN Number for NSDL & CDSL	:	28387 at The Calcutta Stock Exchange Ltd. INE297E01016
g)	Market Price Data (High / Low during each month in 2021-22)	:	Information has been given at the end of Clause 12
h)	Stock performance of the Company in comparison to CSE Sensex. (April, 2021 to March, 2022)	:	Such information is not available with the CSE.
i)	Registrar and Share Transfer Agent	:	S. K. Infosolutions Pvt. Ltd. D/42, Katju Nagar Colony Ground Floor, Near South City Mall PO & PS-Jadavpur Kolkata-700032 Tel. No.: (033) 24120027/24120029 Fax No. : (033) 24120027 E~mail:contact@skcinfo.com, <a href="mailto:skcdilip@gmail.com">skcdilip@gmail.com</a>

j)	Share Transfer System	:	Information has been given at the end of Clause 12
k)	Distribution of Shareholding as on 31 <sup>st</sup> March, 2022	:	Information has been given at the end of Clause 12
l)	Dematerialization of shares and liquidity	:	As on 31 <sup>st</sup> March, 2022, 90.82% of the Company's paid-up share capital representing 23,51,791 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, 24, Parganas (North) West Bengal-743 123
o)	Address for correspondence	:	Reliance Jute Mills (International) Limited. CIN: L17125WB1996PLC081382 "VNSS" Business Centre Ideal Plaza, South Block, 4 <sup>th</sup> Floor 11/1, Sarat Bose Road Kolkata-700 020 Phone: (033) 2280 7017/18 E~mail: <a href="mailto:financeho@reliancejute.com">financeho@reliancejute.com</a> Website: <a href="http://www.reliancejute.com">www.reliancejute.com</a>

#### Information in respect of clause 12(g)

During the financial year ended 31<sup>st</sup> March, 2022, there was no transaction of Equity Shares of the Company at The Calcutta Stock Exchange Ltd. The last traded price of the Equity Shares of the Company at the above Stock Exchange was Rs.2.65 per share.

#### Information in respect of clause 12(j)

##### Share Transfer System

Share transfers in physical and demat form are processed by the Registrar and Share Transfer Agent, 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 and Company Secretary.

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

As stipulated under Regulation 76(1) of SEBI (Depositories and Participants) Regulations, 2018, 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.

Pursuant to the provisions of Regulation 40(9) of the Listing Regulations, M/s. N. K. & Associates, *Company Secretaries*, also conducts audit of the Share Operations System of the Company maintained at the office of the RTA. The Company makes efforts to implement the suggestions/recommendations based on the audit outcome to the extent possible.

**Information in respect of clause 12(k)**
**(a) Distribution of shareholdings as on 31<sup>st</sup> March, 2022:**

Category (No. of shares)	No. of shareholders	Percentage	No. of Shares	Percentage
Upto 500	1494	92.33	163906	6.33
501 – 1000	78	4.82	54858	2.12
1001 – 2000	20	1.24	26392	1.02
2001 – 3000	10	0.62	24902	0.96
3001 – 4000	4	0.25	14450	0.56
4001 – 5000	1	0.06	4582	0.18
5001 – 10000	–	–	–	–
10001 – 50000	–	–	–	–
50001 - 100000	5	0.31	336136	12.98
100001 & above	6	0.37	1964264	75.85
<b>Total</b>	<b>1618</b>	<b>100.00</b>	<b>2589490</b>	<b>100.00</b>

**(b) Shareholding Pattern as on 31<sup>st</sup> March, 2022:**

Category	No. of Shares	Percentage
Promoter/ Promoter Group	19,40,878	74.95
Financial Institutions/Banks	7,012	0.27
Other Corporate Bodies	2,59,574	10.02
General Public	3,76,260	14.54
Non-Resident Individuals	5,766	0.22
<b>Total</b>	<b>25,89,490</b>	<b>100.00</b>

**13. CEO/CFO Certification**

Shri Sanjay Hada, Managing Director & CEO and Shri Deo Kishan Kothari, CFO of the Company have provided compliance certificate to the Board of Directors as required under Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. 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](http://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.

**15. 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.

**16. Other Disclosures**

- (a) Prior approval of the Audit Committee is obtained for all Related Party Transactions entered by the Company. During the financial year ended 31<sup>st</sup> March, 2022, the Company did not have any 'material' related party transaction that may have potential conflict with the interest of the Company at large.

The Disclosure on Related Party Transactions forms an integral part of the Notes to the Financial Statements for the financial year ended 31<sup>st</sup> March, 2022 as included in this Annual Report.

- (b) There were no instances of non-compliances related to capital markets during the last year. No penalty/stricture was imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities on such matters.

- (c) The Company has established an effective Vigil Mechanism System under the Chairman of Audit Committee. The Whistle Blower Policy of the Company is available on the website of the Company at [www.reliancejute.com](http://www.reliancejute.com). No person has been denied access to the Audit Committee.
- (d) All mandatory requirements to corporate governance under the Listing Regulations have been appropriately complied with and the status of non-mandatory (discretionary) requirements is given below:
- The Chairman does not maintain any office at the expense of the Company;
  - In view of publication of the Financial Results of the Company in newspapers having wide circulation and dissemination of the same on the website of the Company as well as on the website of the Stock Exchange, the Company does not consider it prudent to circulate the half-yearly results separately to the Shareholders;
  - The Company's Financial Statements have been accompanied with unmodified audit opinion - both on quarterly and yearly basis;
  - The Chairman, Managing Director & Chief Executive Officer (CEO) of the Company are two different individuals; and
  - The Chief Internal Auditor of the Company reports directly to Audit Committee and is a permanent invitee to all the Audit Committee Meetings.

**(e) Subsidiary Companies**

The Company does not have any subsidiary company.

- (f) The Board of Directors has adopted a Related Party Transactions Policy pursuant to the requirements of Section 188 of the Act and Rules framed thereunder and Regulation 23 of the Listing Regulations. The said Policy has been uploaded on the website of the Company at [www.reliancejute.com](http://www.reliancejute.com).

**(g) Commodity price risk or foreign exchange risk and hedging activities:**

Information required under Clause 9(n) of Part C of Schedule V to the Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15<sup>th</sup> November, 2018 is given hereunder:

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement.

Since the Company does not have any commodity price risk exposure hedged through commodity derivatives, accordingly, other details as required under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15<sup>th</sup> November, 2018 is not applicable to the Company.

Further details relating to risks and activities including financial risk management have been adequately disclosed in Note No. 51 to the Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2022.

- (h) No funds were raised by the Company through preferential allotment or qualified institutions placement.
- (i) In terms of the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (as amended) and Rules framed thereunder, the number of complaints received during the financial year 2021-22 along with their status of redressal as on 31<sup>st</sup> March, 2022 are as under:

Number of complaints filed during the financial year 2021-22	Nil
Number of complaints disposed of during the financial year 2021-22	Nil
Number of complaints pending redressal as on 31 <sup>st</sup> March, 2022	Nil

- (j) Disclosure with respect to demat suspense account / unclaimed suspense account: Not applicable.

Other items which are not applicable to the Company have not been separately commented upon.



**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 31<sup>st</sup> March, 2022.

**Ideal Plaza,  
11/1, Sarat Bose Road,  
Kolkata, the 22<sup>nd</sup> June, 2022**

**For and on behalf of the Board  
S. HADA  
Managing Director & CEO  
DIN:00305476**

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

To  
The Board of Directors  
Reliance Jute Mills (International) Limited

We, Sanjay Hada, Managing Director & CEO and DeoKishan Kothari, CFO of Reliance Jute Mills (International) Limited ('the Company') to the best of our knowledge and belief and under our respective capacity certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2022 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, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee that –
- (i) there have not been any significant changes in internal control over financial reporting during the financial year ended 31<sup>st</sup> March, 2022;
  - (ii) there have not been any significant changes in accounting policies during the during the financial year ended 31<sup>st</sup> March, 2022 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: 22<sup>nd</sup> June, 2022**

**SANJAY HADA  
Managing Director & CEO**

**DEO KISHAN KOTHARI  
Chief Financial Officer (CFO)**

## MR-3

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022**

*[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  
Kolkata – 700020

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 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:

We 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, 2022 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: (Not applicable to the Company during the Audit Period);
  - f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: (Not applicable to the Company during the Audit Period);
  - g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: (Not applicable to the Company during the Audit Period);
  - h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: (Not applicable to the Company during the Audit Period);
  - i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: (Not applicable to the Company during the Audit Period);
- (vi) We have also examined compliance with the applicable clauses/regulations of the following:
  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations as mentioned in **Annexure ‘A’**.

We further report that,

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 the 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. All the decisions of the Board and the Committees thereof were carried through with requisite majority.

We 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**

**UDIN: F005935D00047325973259**

**Peer Review No.: 1384/2021**

**Place: Kolkata**

**Date: 8<sup>th</sup> day of June, 2022**

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

**Annexure A'**

Our observations on Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2022 are as follows:

- a) The Company did not have Woman Director for the period from 16.10.2021 to 13.02.2022.
- b) The Company has made delay in appointment of Company Secretary.
- c) The Company has not made few disclosures under Regulation 30 Schedule III PARA A of SEBI (Listings Obligations and disclosure Requirements) Regulations, 2015
- d) The Company has not made timely disclosure for the quarter ended 30.06.2021 related to the Closure of Trading Window as per Clause 4 of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- e) The Compliance was not made for the quarter ended 30.06.2021 as per Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018.

**'Annexure B'**

To,  
The Members  
Reliance Jute Mills (International) Limited  
Kolkata – 700020

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the process and practices, we followed provide a reasonable basis for our opinion. Further, due to the current pandemic situation we had limited scope of audit.
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 and Statutory Auditor and relying on the reports submitted by the above agencies from time to time, we have not separately verified the financial records and books of accounts of the company.
4. Where ever required, we 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. Our 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**

**UDIN: F005935D00047325973259**

**Peer Review No.: 1384/2021**

**Place: Kolkata**

**Dated: 8<sup>th</sup> day of June, 2022**

## ANNEXURE –III

## Form No. AOC – 2

**[Pursuant to clause (h) sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis for the Financial Year ended 31<sup>st</sup> March, 2022 are as follows:

Name of Related Party and Nature of relationship	Nature of contracts/ Arrangement / transactions	Duration of contract/ arrangement/ transactions	Salient terms of the Contracts or arrangements or transactions	Date(s) of approval by the Board, if any	Amount paid in advances on 31 <sup>st</sup> March, 2022, if any	Transaction Amount (Rs.'000)
Shri Pawan Kumar Kanoria-Executive Chairman	Remuneration	On going	The related party transactions entered during the year were in ordinary course of business and on arm's length basis.	Since these transactions were in ordinary course of business and were on arm's length basis approval of the Board was not required. However, members' approval for above transactions were obtained on 25 <sup>th</sup> September, 2018 in Annual General Meeting for five years and also being approved / ratified by Board in subsequent meetings.	No advance was paid for any transaction noted above.	5,350
Shri Sanjay Hada- Managing Director & CEO	Remuneration	On going				7,530
Dr. P. K. Mookerjee- Independent Director	Sitting Fees	On going				13
Shri P. K. Jain- Independent Director	Sitting Fees	On going				22
Shri P. Bhartia – Independent Director	Sitting Fees	On going				22
Shri R. Banka- Independent Director	Sitting Fees	On going				17
Shri S. K. Seksaria-Non- Executive Director	Sitting Fees	On going				15
Smt. Usha Kanoria-Relative of KMP	Loan taken	On going				5,500
Smt. Vinita Ahmed-Relative of KMP	Rent payment	On going				420
Smt. Smita Poddar- Relative of KMP	Rent payment	On going				560
Smt. SonalHada- Relative of KMP	Loan taken Sitting Fees	On going				17,500
Shri Vihaan Hada- Relative of KMP	Remuneration	On going				9
Smt. Ashima Jain- Relative of KMP	Rent payment	On going				1,707
			420			

P. K. Business Enterprise Ltd - KMP & Relatives of KMP exercise control/significant influence over it.	Loan taken	On going				39,450
B. P. Investments Ltd- KMP & Relatives of KMP exercise control/significant influence over it.	Loan taken Interest paid	On going				15,000 29
Shraddha Investments Ltd- KMP & Relatives of KMP exercise control/significant influence over it	Loan taken	On going				75,275
Excellent Dealers LLP-KMP & Relatives of KMP exercise control/significant influence over it	Service acquired Rent Payment	On going				132 44
VanilaTracom LLP- KMP & Relatives of KMP exercise control/significant influence over it	Rent paid	On going				200
DevangTradecom Private Limited - KMP & Relatives of KMP exercise control/significant influence over it	Loan taken	On going				10,075
Valio Merchants LLP- KMP & Relatives of KMP exercise control/significant influence over it	Rent paid	On going				418
Ajay Investment Enterprise Ltd- KMP & Relatives of KMP exercise control/significant influence over it	Loan Taken	On going				9,000

For and on behalf of the Board  
**P. K. KANORIA**  
 Chairman  
 (DIN:00305297)

Ideal Plaza, 11/1, Sarat Bose Road,  
 Kolkata, the 22<sup>nd</sup> June, 2022

**ANNEXURE – IV**

**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 31<sup>st</sup> March, 2022.**

**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) Measures taken by using self-lubricating bushes like iolite 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'

**FORM –A**
**(A) POWER AND FUEL CONSUMPTION**

		<b>Current Year 01.04.2021 To 31.03.2022</b>	Previous Year 01.04.2020 To 31.03.2021
<b>1.</b>	<b>ELECTRICITY</b>		
a.	Purchased Units	<b>71,42,624</b>	97,76,544
	Total Amount (Rs.)	<b>6,12,33,184</b>	8,15,89,608
	Rate per Unit (Rs.)	<b>8.57</b>	8.35
b.	Own Generation through Diesel Generator (Unit)	–	–
	Unit per litre of Diesel Oil	–	–
	Cost per Unit (Rs.)	–	–
<b>2.</b>	<b>COAL</b>		
	(B Grade, used for generation of steam in boiler)		
	Quantity (M.T.)	<b>2,25</b>	228.56
	Total Cost (Rs.)	<b>25,200</b>	22,16,294
	Average Rate (Rs.) per M.T.	<b>11,200</b>	9,697



**(B) CONSUMPTION PER UNIT OF PRODUCTION**

Products: Jute Goods	Unit		
Production	M. T.	14,286	19,497
Consumption:			
Electricity	Unit	500	501
Coal	K. G.	0.16	0.12

**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 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 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:  
No technology was imported during the year under review.

**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

		(Amount in Rs.'000)	
(i)	Total Foreign Exchange Used	:	11,450
(ii)	Total Foreign Exchange Earned	:	14,565

**For and on behalf of the Board**  
**P. K. KANORIA**  
 Chairman  
 (DIN:00305297)

**Ideal Plaza, 11/1, Sarat Bose Road,**  
**Kolkata, the 22<sup>nd</sup> June, 2022**

## ANNEXTURE – 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**

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	31.60:1	3160%
			Shri S. Hada	37.06:1	3706%
(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	:	<b>Directors:</b>		
			Shri P. K. Kanoria	Nil	
			Shri S. Hada	Nil	
			Smt. S. Poddar*	N.A.	
			Smt. Sonal Hada*	N.A.	
			Dr. P. K. Mookerjee*	N.A.	
			Shri P. K. Jain	N.A.	
			Shri P. Bhartia	N.A.	
			Shri Rohit Banka	N.A.	
			Shri S. K. Seksaria	N.A.	
			Smt. Vijaya Chetlangia*	N.A.	
			<b>Key Managerial Personnel:</b>		
			Shri D. K. Kothari*	Nil	
			Shri S. K. Agarwal*	Nil	
			Smt. S. Jhunjunwala*	Nil	
(iii)	The percentage increase in the median remuneration of employees in the financial year	:	Nil		
(iv)	The number of permanent employees on the rolls of Company	:	3422		
(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	:	Nil  Average salary increase of managerial employees is 38.24%  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 31 <sup>st</sup> March, 2022 is as per the Remuneration Policy of the Company.		

\*Associated with the Company for part of the year.

**Note:**

- 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.
- Remuneration indicates annual total compensation, 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**  
**P. K. KANORIA**  
 Chairman  
 (DIN:00305297)

**Place: Ideal Plaza, 11/1, Sarat Bose Road,**  
**Kolkata, the 22<sup>nd</sup> June, 2022**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Reliance Jute Mills (International) Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Reliance Jute Mills (International) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of matters stated in our 'Basis for Qualified Opinion' paragraph below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard Rules), 2015, As amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Qualified Opinion

The Company has incurred cash losses during the current year as well as in earlier years. As on March 31, 2022, the Company's net worth has been completely eroded and its current liabilities are substantially higher than its current assets. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements of the company have been prepared on going concern basis for the reasons stated in Note 45 to the financial statements. However, in view of above uncertainties we are unable to comment upon the ability of the company to continue as going concern and its consequential adjustments to the accompanying financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

#### Emphasis of Matter

Attention is drawn to the following:

- i. Note 13.1 to the financial statements regarding insurance claim and interest thereon amounting to Rs.68420 thousands recognized in previous year and considered as receivable as on March 31, 2022 based on the favourable arbitration award. The insurance company has preferred an appeal against the aforesaid arbitration award at the Hon'ble High Court at Kolkata and based on High Court order dated 7th April, 2021, the Insurance company has deposited an amount of Rs.71600 thousands with the Registrar, Original side of Court on 19<sup>th</sup> May, 2021.
- ii. Note 21.2 to the financial statements regarding exceptional gain of Rs.129083 thousands on one time settlement of unsecured loan taken from related parties as detailed in the aforesaid note.

Our opinion is not modified in respect of the above matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

<b>Key Audit Matters</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Inventory Valuation &amp; Existence</b> (Refer to note 8 to the financial statements)</p> <p>As described in the accounting policies in note 3.1 to the financial statements, inventories are carried at the lower of cost and net realizable value. Inventories valuation and existence is a significant audit risk. This could result in an overstatement of the value of the inventories if the cost is higher than the net realizable value. Furthermore, the assessment and application of inventories provisions are subject to significant management judgment.</p>	<p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:-</p> <ol style="list-style-type: none"> <li>i. Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>ii. Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification.</li> <li>iii. Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>iv. Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>v. Recomputing provisions recorded to verify that they are in line with the Company policy.</li> </ol>
<p><b>Assessment of litigations in respect of Sales Tax and Value Added Tax matter</b> [Refer to note 35.1(a) to the financial statements]</p> <p>The company has litigations in respect of Sales Tax and Value Added Tax matter which has been disclosed under Contingent liabilities as at 31<sup>st</sup> March, 2022.</p> <p>Significant management judgment is required to assess these matters and to determine the probability of material outflow of economic resources and whether a provision should be recognized or disclosure to be made.</p>	<ol style="list-style-type: none"> <li>i) We obtained a detailed understanding, assessed and tested the design and operating effectiveness of controls surrounding assessment of litigations.</li> <li>ii) We discussed with the management the recent developments and status of these matters. We have also gone through recent judicial pronouncements, wherever relevant, to establish appropriateness of disclosures.</li> <li>iii) We performed our assessment on the underlying calculations supporting the disclosure made in the financial statements.</li> <li>iv) We assessed the adequacy of the Company's disclosures.</li> </ol>

### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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) specified under section 133 of the Act read with the relevant Rules, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audits conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 books of account;
- (d) In our opinion, except for the possible effects of the matter described in Basis for Qualified Opinion paragraph, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) The matter mentioned in Basis of Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (h) In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (i) 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:
  - i. Pending litigations (other than those already recognized in the accounts) having material impact on the financial position of the Company have been disclosed in the financial statements as required in terms of accounting standards and provisions of the Companies Act, 2013 – Refer Note 35.1 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 52(e) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 52(f) to the financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on our audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under paragraph 2(h) (iv)(a) & (b) above, contain any material mis-statement.
- v. The Company has not declared or paid any dividend during the year and hence compliance of Section 123 of the Act is not applicable to the company.

**For J K V S & Co**  
**Chartered Accountants**  
**Firm’s Registration No. 318086E**  
**(Suprio Ghatak)**  
**Partner**  
**Membership No. 051889**  
**UDIN: 22051889AJWPCO7957**

**Place: Kolkata**  
**Date: 30<sup>th</sup> May, 2022**



**Annexure-1 to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Reliance Jute Mills (International) Limited** of even date)

- i.
  - (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (a)(B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2022.
  - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
  - (a) The management has conducted physical verification of inventory (excluding inventories in transit) at reasonable intervals during the year and discrepancies of 10% or more in aggregate for each class of inventory were not noticed on physical verification of such inventories. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
  - (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets (present & future) of the Company. As stated in note 18.1 to the financial statements, the borrowings have been restructured w.e.f September 29, 2021 basis which the working capital facilities has been converted into term loan and submission of quarterly stock statement is not applicable. The quarterly statement submitted with bank as provided by the management for the quarter ended June 30, 2021 is in agreement with the books of accounts of the company.
- iii.
  - (a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
  - (b) During the year, the Company has not provided loans, advances in the nature of loans, made investments, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
  - (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
  - (d) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
  - (e) According to the information and explanations given to us, there were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
  - (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the company has not granted any loan or made any investments or provided any guarantee or security under section 185 and 186 of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013. We are of the opinion, that prime-facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs and other statutory dues applicable to it except delay in payment in few cases in respect of certain Statutory dues during the year. Based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute.

Name of the Statute	Nature of the Dues	Amount (Rs. in 000's)	Year to which amount relates	Forum where dispute is pending
WBST Act,1994	Sales Tax	2443	2004-05	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956	Sales Tax	7273	2004-05	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956	Sales Tax	4143	2005-06	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956	Sales Tax	1909	2006-07	The Hon'ble High Court at Kolkata
CST Act,1956	Sales Tax	2409	2007-08	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956	Sales Tax	1193	2008-09	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956	Sales Tax	3041	2010-11	The Hon'ble High Court at Kolkata
CST Act,1956*	Sales Tax	1317	2011-12	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956*	Sales Tax	1559	2012-13	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956*	Sales Tax	493	2013-14	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956*	Sales Tax	1311	2016-17	Appellate and Revisional Board (WB Commercial Taxes)
CST Act,1956*	Sales Tax	673	2017-18	Appellate and Revisional Board (WB Commercial Taxes)

\*Net of Amount Deposited under appeal

- viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) Based on our audit procedures performed by us and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to banks. However, as stated in note 21.2 to the financial statements owing to financial stress, the company has requested its unsecured lenders for one-time settlement of the outstanding borrowings as at March 31, 2022 which has been accepted by majority of the lenders.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company which has been noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the cost auditor / secretarial auditor or by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during theyear.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b)& (c) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till the date of audit report, for the period under audit.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv)of the Order is not applicable to the Company.
- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any Core Investment Company.

- xvii. Without considering the consequential effects, if any, of the matter(s) stated in our 'Basis of qualified opinion' paragraph above, the Company has incurred cash loss amounting to Rs. 98,855 thousand in the current financial year and Rs. 203,361 thousand in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix. As referred to in 'Basis of qualified opinion' paragraph in our main audit report in relation to going concern and as disclosed in Note 48 to the financial statements which includes the financial ratios and ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exists a material uncertainty that the Company may not be capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.
- We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The company is not liable to spend on account of 'Corporate Social Responsibility' as specified under section 135 of the Act. Accordingly, the requirement to report on clause 3(xx)(a)&(b) of the Order is not applicable to the Company.
- xxi. The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

**For J K V S & Co**  
**Chartered Accountants**  
**Firm's Registration No. 318086E**  
**(Suprio Ghatak)**  
**Partner**  
**Membership No. 051889**  
**UDIN: 22051889AJWPCO7957**

Place: Kolkata  
 Date: 30<sup>th</sup> May, 2022

## ANNEXURE-2 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to members of **Reliance Jute Mills (International) Limited** of even date)

### Report on the Internal Financial Controls with reference to the financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the financial statement of **Reliance Jute Mills (International) Limited** ("the Company") as of March 31, 2022 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 financial controls with reference to the financial statement 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 ("the Guidance Note") 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 with reference to the financial statement based on our audit. We conducted our audit in accordance with 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. 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 with reference to the financial statement 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 with reference to the financial statement and their operating effectiveness. Our audit of internal financial controls with reference to the financial statement included obtaining an understanding of internal financial controls with reference to the financial statement, 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 with reference to the financial statement.

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial controls with reference to the financial statement 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 controls with reference to the financial statement 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 WITH REFERENCE TO THE FINANCIAL STATEMENT**

Because of the inherent limitations of internal financial controls with reference to the financial statement, 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 with reference to the financial statement to future periods are subject to the risk that the internal financial controls with reference to the financial statement 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 with reference to the financial statement and such internal financial controls with reference to the financial statement were operating effectively as at March 31, 2022, based on the internal financial controls with reference to the financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**Place: Kolkata**  
**Date: 30<sup>th</sup> May, 2022**

**For J K V S & Co**  
**Chartered Accountants**  
**Firm's Registration No. 318086E**  
**(Suprio Ghatak)**  
**Partner**  
**Membership No. 051889**  
**UDIN: 22051889AJWPCO7957**

**RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED**

CIN: L17125WB1996PLC081382

**BALANCE SHEET AS AT 31ST MARCH, 2022**

<b>Particulars</b>	<b>Note No.</b>	<b>Amount (in Rs'000)</b>	
		<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
<b>I) ASSETS</b>			
<b>1) NON CURRENT ASSETS</b>			
Property, Plant and Equipment	4	<b>6,80,010</b>	6,90,571
Other Intangible Asset	5	<b>0</b>	283
Other Non-Current Financial Assets	6	<b>2,679</b>	0
Other Non-Current Assets	7	<b>6,647</b>	9,113
		<b>6,89,336</b>	6,99,967
<b>2) CURRENT ASSETS</b>			
Inventories	8	<b>90,072</b>	3,15,479
Financial Assets			
Trade Receivables	9	<b>12,446</b>	93,569
Cash and Cash Equivalents	10	<b>4,593</b>	2,820
Bank Balances other than Cash and Cash Equivalent	11	<b>5,304</b>	8,750
Loans	12	<b>-</b>	-
Other Current Financial Assets	13	<b>94,783</b>	1,02,842
Current Tax Assets (Net)	14	<b>6,606</b>	5,048
Other Current Assets	15	<b>8,215</b>	15,091
		<b>2,22,019</b>	5,43,599
<b>TOTAL ASSETS</b>		<b>9,11,355</b>	<b>12,43,566</b>
<b>II) EQUITY AND LIABILITIES</b>			
<b>1) EQUITY</b>			
Equity Share Capital	16	<b>25,895</b>	25,895
Other Equity	17	<b>(3,21,885)</b>	(2,61,925)
<b>TOTAL EQUITY</b>		<b>(2,95,990)</b>	(2,36,030)
<b>2) LIABILITIES</b>			
<b>i) NON-CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	18	<b>2,37,979</b>	1,17,180
Provisions	19	<b>3,15,595</b>	3,41,267
Other Non-Current Liabilities	20	<b>6,370</b>	7,434
		<b>5,59,944</b>	4,65,881
<b>ii) CURRENT LIABILITIES</b>			
Financial Liabilities			
Borrowings	21	<b>62,520</b>	2,62,293
Trade Payables	22		
a) Total outstanding dues of micro enterprise and small enterprise		<b>-</b>	-
b) Total outstanding dues other than micro enterprise and small enterprise		<b>4,65,136</b>	6,07,625
Other Current Financial Liabilities	23	<b>7,251</b>	25,993
Contract Liabilities	24	<b>116</b>	3,469
Other Current Liabilities	25	<b>11,035</b>	33,139
Provisions	26	<b>1,01,343</b>	81,196
		<b>6,47,401</b>	10,13,715
<b>TOTAL LIABILITIES</b>		<b>12,07,345</b>	<b>14,79,596</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,11,355</b>	<b>12,43,566</b>
Summary of Significant Accounting Policies	3		
The accompanying notes are an integral part of the Financial Statements			

**As per our Report annexed****For J K V S & Co.****Chartered Accountants**

FRN No.318086E

**SUPRIO GHATAK****Partner**

Membership No.051889

Kolkata, the 30th day of May, 2022

**On behalf of the Board of Directors****P. K. Kanoria**

- Chairman

(DIN:00305297)

**S. Hada**

- Managing Director &amp; CEO

(DIN:00305476)

**P. K. Jain**

- Director

(DIN:00372338)

**D. K. Kothari**

- Chief Financial Officer

**S. Jhunjhunwala**

- Company Secretary



**RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED**

CIN : L17125WB1996PLC081382

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>Particulars</b>	<b>Notes</b>	<b>Amount (in Rs'000)</b>	
		<b>For the year ended 31st March, 2022</b>	<b>For the year ended 31st March, 2021</b>
<b>I) INCOME</b>			
Revenue from Operations	27	15,21,783	17,29,417
Other Income	28	1,796	548
<b>Total Income (I)</b>		<b>15,23,579</b>	<b>17,29,965</b>
<b>II) EXPENSES</b>			
Cost of Materials Consumed	29	9,69,814	11,31,238
Changes in Inventories of Finished Goods & Work-in-Progress	30	1,47,359	(1,528)
Employee Benefits Expense	31	4,23,013	5,43,105
Finance Costs	32	26,112	32,939
Depreciation and Amortization Expense	33	11,080	12,793
Other Expenses	34	1,85,223	2,27,572
<b>Total Expenses (II)</b>		<b>17,62,601</b>	<b>19,46,119</b>
<b>III) Profit/(Loss) before Exceptional Item &amp; Taxation (I-II)</b>		<b>(2,39,022)</b>	<b>(2,16,154)</b>
<b>IV) Exceptional Items</b>			
Exceptional Gain (Refer note 21.2)		1,29,083	-
		<b>1,29,083</b>	<b>-</b>
<b>V) Profit/(Loss) before Taxation (III+IV)</b>		<b>(1,09,939)</b>	<b>(2,16,154)</b>
<b>VI) Tax Expenses</b>			
Current Tax		-	-
Deferred Tax (Refer note 46)		-	-
Income Tax for earlier years		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>VII) Profit/(Loss) for the year (V-VI)</b>		<b>(1,09,939)</b>	<b>(2,16,154)</b>
<b>VIII) Other Comprehensive Income (OCI)</b>			
Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods:			
Re-Measurement gains/(losses) on defined benefit plans		49,979	(18,201)
Income Tax effect on above		-	-
<b>Other Comprehensive Income for the year, net of tax</b>		<b>49,979</b>	<b>(18,201)</b>
<b>IX) Total Comprehensive Income for the year (VII+VIII)</b>		<b>(59,960)</b>	<b>(2,34,355)</b>
Earnings per share - Basic and Diluted (in INR)	37	(42.46)	(83.47)
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 J K V S & Co.****Chartered Accountants**

FRN No.318086E

**SUPRIO GHATAK****Partner**

Membership No.051889

Kolkata, the 30th day of May, 2022

**P. K. Kanoria** - Chairman (DIN:00305297)**S. Hada** - Managing Director & CEO (DIN:00305476)**P. K. Jain** - Director (DIN:00372338)**D. K. Kothari** Chief Financial Officer**S. Jhunjhunwala** - Company Secretary



CIN : L17125WB1996PLC081382

**Statement of Changes in Equity for the year ended 31st March, 2022****A. Equity Share Capital**

Amount (in Rs'000)

Balance as at March 31, 2020	25,895
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2021	25,895
Add/(Less): Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2022</b>	<b>25,895</b>

**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	
<b>Balance as at March 31, 2020</b>	<b>3,500</b>	<b>3,219</b>	<b>(34,289)</b>	-	<b>(27,570)</b>
Profit / (Loss) for the year	-	-	(2,16,154)	-	(2,16,154)
Remeasurment Gain/(Loss) (Net of Deferred Tax)	-	-	-	(18,201)	(18,201)
Transfer of OCI - Remeasurement to Retained Earnings	-	-	(18,201)	18,201	-
<b>Balance as at March 31, 2021</b>	<b>3,500</b>	<b>3,219</b>	<b>(2,68,644)</b>	-	<b>(2,61,925)</b>
Profit/(Loss) for the year	-	-	(1,09,939)	-	(1,09,939)
Remeasurment Gain/(Loss) (Net of Deferred Tax)	-	-	-	49,979	49,979
Transfer of OCI - Remeasurement to Retained Earnings	-	-	49,979	(49,979)	-
<b>Balance as at March 31, 2022</b>	<b>3,500</b>	<b>3,219</b>	<b>(3,28,604)</b>	-	<b>(3,21,885)</b>

Significant Accounting Policies

3

The accompanying notes are an integral part of the Financial Statements

As per our Report annexed

For J K V S &amp; Co.

Chartered Accountants

FRN No.318086E

SUPRIO GHATAK

Partner

Membership No.051889

Kolkata, the 30th day of May, 2022

On behalf of the Board of Directors

**P. K. Kanoria** - Chairman (DIN:00305297)**S. Hada** - Managing Director & CEO (DIN:00305476)**P. K. Jain** - Director (DIN:00372338)**D. K. Kothari** - Chief Financial Officer**S. Jhunjunwala** - Company Secretary



CIN : L17125WB1996PLC081382

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

<b>Particulars</b>	<b>Amount (in Rs'000)</b>	
	<b>Year ended 31st March, 2022</b>	<b>Year ended 31st March, 2021</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Taxes as per Statement of Profit and Loss	(1,09,939)	(2,16,154)
<b>Adjustments for:</b>		
Exceptional Item	(1,29,083)	-
Depreciation/Amortisation (Net)	11,080	12,793
(Profit)/Loss on Sale or discard of Property, Plant & Equipment	(99)	27
Finance Cost	26,112	32,939
Sundry Balances written off	261	-
Deferred grant income	(2,609)	(3,701)
Interest Income	(335)	(482)
Liabilities no longer required written back	(1,271)	(4)
<b>Operating Profit Before Working Capital Changes</b>	<b>(2,05,883)</b>	<b>(1,74,582)</b>
<b>Movements in Working Capital:</b>		
Decrease/(Increase) in Inventories	2,25,407	(33,027)
Decrease/(Increase) in Trade Receivables	81,123	6,010
Decrease/(Increase) in Financial Assets	7,992	1,214
Decrease/(Increase) in Non-Financial Assets	6,401	(2,736)
Increase/(Decrease) in Trade Payables	(1,41,215)	1,48,460
Increase/(Decrease) in Financial Liabilities	(16,195)	3,387
Increase/(Decrease) in Non-Financial Liabilities	(23,912)	10,837
Increase/(Decrease) in Provisions	44,454	38,846
<b>Cash generated from Operating Activities</b>	<b>(21,828)</b>	<b>(1,591)</b>
Direct Taxes paid (net of refunds)	(1,558)	(75)
<b>Net Cash generated/(used) from Operating Activities</b>	<b>(23,386)</b>	<b>(1,666)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment including CWIP	(307)	(403)
Sale of Property, Plant & Equipment	169	82
Proceeds from /(Investment in) fixed deposit having maturity more than 3 months (net)	3,446	(476)
Interest Received	402	512
<b>Net Cash generated/(used) from Investing Activities</b>	<b>3,710</b>	<b>(285)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term borrowings from banks	18,700	46,000
Repayment of Long term borrowings from banks/financial institutions	(12,729)	(2,262)
Proceeds/(Repayment) from short term borrowings from banks (Net)	19,020	(3,347)
Proceeds/(Repayment) from unsecured borrowings (Net)	23,750	100
Interest paid	(27,292)	(57,528)
<b>Net Cash generated / (used) from Financing Activities</b>	<b>21,449</b>	<b>(17,037)</b>
<b>Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,773</b>	<b>(18,988)</b>
<b>Cash and Cash Equivalents as at the beginning of the year</b>	<b>2,820</b>	<b>21,808</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>4,593</b>	<b>2,820</b>



CIN: L17125WB1996PLC081382

Notes to the Cash Flow Statement

	Amount (in Rs.'000)	
	For the year ended <u>31st March, 2022</u>	For the year ended <u>31st March, 2021</u>
<b>1) Components of Cash and Cash Equivalents</b>		
Balance with Banks:		
On Current Accounts	3,428	2,316
Cash on hand	<u>1,165</u>	<u>504</u>
<b>Cash and Cash Equivalents (Refer Note 10)</b>	<u><b>4,593</b></u>	<u><b>2,820</b></u>

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
<b>Balance as at 1st April, 2021 (including interest accrued thereon)</b>	<b>1,34,041</b>	2,47,797
Cash Flow (Net)	<b>5,971</b>	42,770
<u>Non Cash Changes:</u>		
Cash Credit converted to Working Capital Term Loan	<b>1,80,000</b>	(1,80,000)
Exceptional Items (Loan written back)	<b>(70,200)</b>	(58,883)
Interest expense	<b>11,725</b>	11,869
Interest paid	<b>(12,370)</b>	(11,869)
<b>Balance as at 31st March, 2022 (including interest accrued thereon)</b>	<b>2,49,167</b>	51,684

4) Figures in brackets represents outflows/deductions

5) Previous years figures have been regrouped /reclassified wherever necessary.

As per our Report annexed

For J K V S & Co.

Chartered Accountants

FRN No.318086E

**SUPRIO GHATAK**

Partner

Membership No.051889

Kolkata, the 30th day of May, 2022

On behalf of the Board of Directors

**P. K. Kanoria** - Chairman

(DIN:00305297)

**S. Hada** - Managing Director & CEO

(DIN:00305476)

**P. K. Jain** - Director

(DIN:00372338)

**D. K. Kothari** - Chief Financial Officer

**S. Jhunjhunwala** - Company Secretary

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022****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 (4<sup>th</sup> 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 30<sup>th</sup> May, 2022.

**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.

**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;
- 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 ('000), which is also the Company's functional currency. All financial information presented in INR ('000) 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

CIN: L17125WB1996PLC081382

**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022**

- 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.

**2.6 Adoption of new accounting standards**

Ministry of Corporate Affairs (“MCA”) issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the company in its financial statements. These amendments are applicable to the company for the period starting 1st April, 2021.

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

- **Ind AS 103– Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.
- **Ind AS 16 – Proceeds before intended use** - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.
- **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract** - The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.
- **Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability.
- **Ind AS 106 – Annual Improvements to Ind AS (2021)** - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

Based on preliminary assessment, the Company does not expect the amendments listed above to have any significant impact in its financial statements.

**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.



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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022**

- 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 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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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022****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 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.

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022**

- 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. Company as lessor**

Leases for which the Company is lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**3.5.2. Company as Lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

**➤ Right-of-use Assets (ROU Assets)**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.12 Impairment of non-financial assets.

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022**

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

➤ **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

➤ **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**3.6 Revenue Recognition**

- Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- 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.

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022****3.6.1. Sale of Goods**

Revenue from the sale of goods is recognized upon transfer of control of ownership 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.

**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.

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### Notes to the financial statements for the year ended 31<sup>st</sup> March 2022

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 (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.
- 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.



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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022**

- 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:

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

- **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.

- **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
  - 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.

- **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.

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022**

- 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.

➤ **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.

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022****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 recognized 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 recognized 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.

**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.

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022****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.

**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 remeasurements 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.

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022****3.17 Exceptional Items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

**3.18 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.

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.

**3.19 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.

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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2022**

- **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.
- **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.
- **Estimation uncertainty relating to the global health pandemic on COVID-19:**The Company has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of COVID-19 pandemic on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables and other assets. However, the eventual outcome of the impact of the COVID-19 pandemic may be different from those estimated as on the date of approval of these financial statements owing to the nature and duration of COVID-19 pandemic.



## Notes to Financial Statements for the year ended 31st March, 2022

## 4 PROPERTY, PLANT AND EQUIPMENT

Amount (in Rs.'000)

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	As at 31.03.2021	Additions	Sale/Disposal	As at 31.03.2022	As at 31.03.2021	For the year	Sale/Disposal	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land	5,81,474	-	-	5,81,474	-	-	-	-	5,81,474	5,81,474
Buildings	18,054	-	-	18,054	5,725	611	-	6,336	11,718	12,329
Plant & Machinery	4,25,766	-	-	4,25,766	3,36,406	8,833	-	3,45,239	80,527	89,360
Vehicles	18,581	-	1,419	17,162	12,255	1,009	1,348	11,916	5,246	6,326
Furniture & Fittings	2,107	51	-	2,158	1,788	82	-	1,870	288	319
Computer	4,564	28	-	4,592	4,321	97	-	4,418	174	243
Office Equipments	4,438	228	-	4,666	3,918	165	-	4,083	583	520
<b>Total</b>	<b>10,54,984</b>	<b>307</b>	<b>1,419</b>	<b>10,53,872</b>	<b>3,64,413</b>	<b>10,797</b>	<b>1,348</b>	<b>3,73,862</b>	<b>6,80,010</b>	<b>6,90,571</b>

Particulars	Gross Carrying Value				Depreciation				Net Carrying Value	
	As at 31.03.2020	Additions	Sale/Disposal	As at 31.03.2021	As at 31.03.2020	For the year	Sale/Disposal	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Land	581474	-	-	5,81,474	-	-	-	-	5,81,474	5,81,474
Buildings	18054	-	-	18,054	5,113	612	-	5,725	12,329	12,941
Plant & Machinery	425536	230	-	4,25,766	3,26,366	10,040	-	3,36,406	89,360	99,170
Vehicles	19348	-	767	18,581	11,506	1,407	658	12,255	6,326	7,842
Furniture & Fittings	2093	14	-	2,107	1,712	76	-	1,788	319	381
Computer	4443	121	-	4,564	4,227	94	-	4,321	243	216
Office Equipments	4400	38	-	4,438	3,729	189	-	3,918	520	671
<b>Total</b>	<b>10,55,348</b>	<b>403</b>	<b>767</b>	<b>10,54,984</b>	<b>3,52,653</b>	<b>12,418</b>	<b>658</b>	<b>3,64,413</b>	<b>6,90,571</b>	<b>7,02,695</b>

## Notes:

4.1 Refer note - 18 &amp; 21 for information on Property, Plant &amp; Equipment pledged as security by the Company.

4.2 Refer note - 35.2 for disclosure on contractual commitment for acquisition on Property, Plant &amp; 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 Title deeds of Immovable Properties being Land and Buildings are held in the name of the Company.

## 5 OTHER INTANGIBLE ASSET

Particulars	Gross Carrying Value				Amortisation				Net Carrying Value	
	As at 31.03.2021	Additions	Sale/Disposal	As at 31.03.2022	As at 31.03.2021	For the year	Sale/Disposal	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	2,545	-	-	2,545	2,262	283	-	2,545	-	283
<b>Total</b>	<b>2,545</b>	<b>-</b>	<b>-</b>	<b>2,545</b>	<b>2,262</b>	<b>283</b>	<b>-</b>	<b>2,545</b>	<b>-</b>	<b>283</b>

Particulars	Gross Carrying Value				Amortisation				Net Carrying Value	
	As at 31.03.2020	Additions	Sale/Disposal	As at 31.03.2021	As at 31.03.2020	For the year	Sale/Disposal	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Computer Software	2,545	-	-	2,545	1,887	375	-	2,262	283	658
<b>Total</b>	<b>2,545</b>	<b>-</b>	<b>-</b>	<b>2,545</b>	<b>1,887</b>	<b>375</b>	<b>-</b>	<b>2,262</b>	<b>283</b>	<b>658</b>

CIN: L17125WB1996PLC081382

**Notes to Financial Statements for the year ended 31st March, 2022**

**Amount (in Rs.'000)**  
 As at As at  
**March 31, March 31,**  
**2022 2021**

**6 OTHER NON-CURRENT FINANCIAL ASSETSS**
**Unsecured considered good**

Indirect Tax Refundable

2,679 -  
**2,679 -**

**7 OTHER NON-CURRENT ASSETS**

Prepaid Expenses

**1,298** 1,085

Deposits against demand under dispute

**5,252** 7,931

Others\*

**97** 97

\*Includes balances with various parties

**6,647** 9,113

**8 INVENTORIES**
**(As valued and certified by the Management)**

Raw Materials (Raw Jute)

**1,531** 78,375

Finished Goods (Jute Goods) At Mill

**13,360** 66,253

Finished Goods (Jute Goods) In Transit

- 2,428

Work-in-Progress

**63,053** 1,55,091

Stores and Spares

**12,128** 13,332

**90,072** 3,15,479

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

8.2 Refer note - 18.1 for information on Inventories pledged as security by the Company

**9 TRADE RECEIVABLES**

Trade Receivables considered Good - Secured

- -

Trade Receivables Considered Good - Unsecured

**12,446** 93,569

Trade Receivables Credit Impaired

**3,348** 3,348

**15,794** 96,917

Less: Allowance for Doubtful Debts (Refer note 51(a)(i))

**(3,348)** (3,348)

**12,446** 93,569

9.1 Refer note - 18.1 for information on trade receivables pledged as security by the Company

9.2 There are no amounts receivable from directors and officers of the Company

9.3 Trade receivable Ageing Schedule - Based on the requirements of amended Schedule III

Particulars	Outstanding from the due date of payment as on March 31, 2022						
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered Good	9,436	2,879	-	131	-	-	12,446
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	3,348	3,348
(iv) Disputed Trade Receivables -Considered Good	-	-	-	-	-	-	-
(v) Didputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-

Particulars	Outstanding from the due date of payment as on March 31, 2021						
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered Good	18,358	73,298	1,913	-	-	-	93,569
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit impaired	-	-	-	-	-	3,348	3,348
(iv) Disputed Trade Receivables -Considered Good	-	-	-	-	-	-	-
(v) Didputed Trade Receivables which have significant increase in Credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-	-

**10 CASH AND CASH EQUIVALENTS**

Cash on hand

**1,165** 504

Balance with Banks:

- In Current Accounts

**3,428** 2,316

**4,593** 2,820

**11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT**
**Earmarked Balances with Banks**

Fixed Deposits with held Banks as Margin Money\*

**5,304** 8,750

**5,304** 8,750

\*Against Bank Guarantee, Letter of Credit &amp; Term Loan from Banks



Notes to Financial Statements for the year ended 31st March, 2022

	<u>Amount (in Rs.'000)</u>	
	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
<b>12 LOANS</b>		
<b><u>Unsecured, Considered Doubtful</u></b>		
Loans to Body Corporate	<u>15,000</u>	15,000
Less: Provision for Doubtful advances (Refer note: 51(a)(ii))	<u>(15,000)</u>	<u>(15,000)</u>

Type of Borrower	Amount of loans or advances in the nature of loan outstanding		Percentage of the total loans and advances in the nature of loans	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Promoter	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-
Others	15,000	15,000	100.00%	100.00%
<b>Total</b>	<b>15,000</b>	<b>15,000</b>	<b>100.00%</b>	<b>100.00%</b>

	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
<b>13 OTHER CURRENT FINANCIAL ASSETS</b>		
<b><u>Unsecured, Considered Good</u></b>		
Interest on loan to Body Corporates	<u>828</u>	828
Less: Provision for Doubtful advances (Refer note 51(a)(ii))	<u>(828)</u>	<u>(828)</u>
	-	-
Government Subsidy Receivable	<u>18,877</u>	18,877
Security Deposit	-	7,500
Accrued Interest on Deposits with Banks	<u>100</u>	167
Advance to Employees	<u>1,891</u>	2,364
Other Receivable (Refer Note: 13.2 & 13.3))	<u>5,495</u>	<u>5,514</u>
	<u>26,363</u>	34,422
Insurance Claim Receivable (Refer Note 13.1)	<u>41,080</u>	41,080
Less: Provision for doubtful receivable (net of reversal)	<u>(2,146)</u>	<u>(2,146)</u>
	<u>38,934</u>	38,934
Interest on Insurance receivable (Refer Note 13.1)	<u>29,486</u>	29,486
	<u>68,420</u>	<u>68,420</u>
	<u>94,783</u>	<u>1,02,842</u>

13.1 The company has received an amount of Rs. 111,781 against an insurance claim of Rs.152,905 in respect of fire at finished goods godowns in September, 2014 and made provision of Rs. 41,080 for the remaining amount on grounds of prudence. Subsequently, on not being successful in the application for appointment of an Arbitrator before Hon'ble High Court at Kolkata, the Company filed a review petition with the Hon'ble High Court at Kolkata, which, vide its order dated 6th July, 2018, appointed an Arbitrator in the matter as per Section 11(6) of the Arbitration & Conciliation Act, 1996. The learned Arbitrator passed an award on 2nd March, 2020 in favour of the company by which an amount of Rs 36,739 towards balance amount of insurance claim, Rs.2,196 towards costs of the proceeding along with interest thereon and also interest on Rs 111,781 for the delay in settlement of claim at 2 percent above the bank rate/ current rate of interest was allowed. The total amount receivable upto 31st March, 2020 in respect of the above award Rs.68,420 accounted in earlier years is lying as Claim Receivable. The management is hopeful of receiving the claim and adjustment, if any, required will be made on actual receipt of the amount in this respect.

**Notes to Financial Statements for the year ended 31st March, 2022**

13.2 The company has accounted in earlier years under "Other Income", a claim of Rs.5,148 based on an order dated 29<sup>th</sup> August, 2018 issued by the Hon'ble High Court at Kolkata directing government agencies to disburse the additional cost incurred by the jute mills due to amendment in Payment of Bonus Act,1965 pertaining to the period January to August, 2016. The company is hopeful of receiving further claim of Rs.4,557 (approx) in this respect for the period from April to December, 2015 which shall be accounted for after receipt of favourable order from Hon'ble High Court at Kolkata.

13.3 Others receivable includes interest claimed on withheld amount of jute goods supplied to government agencies accounted for under "Other Income" during the previous year based on favourable order from the Hon'ble High Court at Kolkata.

	<u>Amount (in Rs.'000)</u>	
	<u>As at March 31, 2022</u>	<u>As at March 31, 2021</u>
<b>14 CURRENT TAX ASSETS (NET)</b>		
Advance Tax (Net of provisions Rs.3,105)	<u>6,606</u>	<u>5,048</u>
	<b>6,606</b>	<b>5,048</b>
<b>15 OTHER CURRENT ASSETS</b>		
<b><u>Unsecured, Considered Good</u></b>		
Advance against supply of Goods & Services	2,000	4,086
Balances with Government Authorities	4,401	5,706
Export Incentive Receivable	187	1,240
Prepaid Expenses	1,333	1,312
Others	<u>294</u>	<u>2,747</u>
	<b>8,215</b>	<b>15,091</b>

	<u>As at March 31, 2022</u>		<u>As at March 31, 2021</u>	
	Number	Amount	Number	Amount
<b>16 EQUITY SHARE CAPITAL</b>				
<b>Authorised:</b>				
Equity Shares of Rs.10/- each	30,10,000	30,100	30,10,000	30,100
6% Redeemable Cumulative Preference Shares of Rs. 100/- each	15,00,000	<u>1,50,000</u>	15,00,000	<u>1,50,000</u>
		<b>1,80,100</b>		<b>1,80,100</b>
<b>Issued &amp; Subscribed Capital:</b>				
Equity Shares of Rs.10/- each	25,89,490	25,895	25,89,490	25,895
6% Redeemable Cumulative Preference Shares of Rs. 100/- each	5,00,000	<u>50,000</u>	5,00,000	<u>50,000</u>
		<b>75,895</b>		<b>75,895</b>
<b>Paid-up Capital:</b>				
Equity Shares of Rs.10/- each	25,89,490	25,895	25,89,490	25,895
6% Redeemable Cumulative Preference Shares of Rs. 100/- each	5,00,000	<u>50,000</u>	5,00,000	<u>50,000</u>
		<b>75,895</b>		<b>75,895</b>
Less: Instrument classified as Financial liability (Refer note 18.2)		<u>(50,000)</u>		<u>(50,000)</u>
		<b>25,895</b>		<b>25,895</b>

**16.1 Rights, Preferences & Restrictions attached to shares**

- i) The 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 6% Redeemable Cumulative Preference Shares of Rs.100/- each. The Preference shareholders shall be entitled to all rights and privileges as are available under the Companies Act, 2013.

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

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



## Notes to Financial Statements for the year ended 31st March, 2022

Amount (in Rs.'000)

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

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Equity Shares of Rs.10 each fully paid</b>				
Shri Pawan Kumar Kanoria (including HUF)	4,19,112	16.18	4,19,112	16.18
Smt. Usha Kanoria	5,99,688	23.16	5,99,688	23.16
Smt. Sonal Hada	2,05,000	7.92	2,05,000	7.92
Shri Vihaan Hada	2,05,000	7.92	2,05,000	7.92
B. P. Investments Limited	5,12,078	19.78	5,12,078	19.78
<b>6% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid</b>				
Aravali Niwas LLP	1,65,300	33.06	1,57,000	31.40
Valio Merchants LLP	1,17,500	23.50	1,17,500	23.50
Ajay Investment Enterprise Limited	81,700	16.34	1,10,000	22.00
Pawan Kumar Kanoria (HUF)	70,000	14.00	-	-
Excellent Dealers LLP	34,000	6.80	34,000	6.80
P. K. Business Enterprise Limited	11,500	2.30	26,500	5.30
Shraddha Investments Limited	-	-	35,000	7.00

16.5 Details of Promoter Shareholding in the Company

Sl. No.	Promoter Name	As on March 31, 2022			As on March 31, 2021		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
1	Pawan Kumar Kanoria (including HUF)	4,19,112	16.18%	-	4,19,112	16.18%	-

16.6 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.

16.7 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 preceding the date at which Balance Sheet is prepared.

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

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

## 17 OTHER EQUITY

	As at March 31, 2022	As at March 31, 2021
<b>Capital Redemption Reserve</b>		
As per last Financial Statement	3,500	3,500
	<u>3,500</u>	3,500
<b>General Reserve</b>		
As per last Financial Statement	3,219	3,219
	<u>3,219</u>	<u>3,219</u>
<b>Retained Earnings</b>		
As per last Financial Statement	(2,68,644)	(34,289)
Add: Profit/(Loss) for the year	(1,09,939)	(2,16,154)
Add: Remeasurement of Defined Benefit Obligation	49,979	(18,201)
	<u>(3,28,604)</u>	<u>(2,68,644)</u>
	<u>(3,21,885)</u>	<u>(2,61,925)</u>

**The Description, Nature and Purpose of each reserve with in equity are as follows:**17.1 **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, 201317.2 **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 Income17.3 **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

**Notes to Financial Statements for the year ended 31st March, 2022**

18 BORROWINGS	<b>Amount (in Rs.'000)</b>			
	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
	Non-Current	Current Maturities	Non-Current	Current Maturities
<b>Secured:</b>				
Term Loan from Punjab National Bank	2,22,033	10,707	32,333	13,667
Vehicle Loan from Bank	106	129	175	163
Vehicle Loan from Financial Institutions	-	-	-	666
	<u>2,22,139</u>	<u>10,836</u>	32,508	14,496
<b>Unsecured</b>				
Rupee Loan from Body Corporate	-	-	70,200	-
6% Cumulative Redeemable Preference Shares	<u>15,840</u>	-	14,472	-
	<u>15,840</u>	-	<u>84,672</u>	-
Less: Amount disclosed under the head "Short Term Borrowings" (Note 21)	-	<u>(10,836)</u>	-	<u>(14,496)</u>
	<u>2,37,979</u>	-	<u>1,17,180</u>	-

**18.1 Term Loan from Punjab National Bank:**

**A)** Term Loan from PNB (including Rs. 1,80,000 being conversion of existing cash credit limit pursuant to restructuring of advance) is secured by exclusive charge on entire current assets (present and future), including stock of raw material, stock-in-process, finished goods lying at Company's premises or godowns situated all over India and book debts. The loan is also secured by hypothecation of PPE and mortgage over certain immovable properties along with personal guarantee of Shri Pawan Kumar Kanoria (Director) and Smt. Usha Kanoria (ex- director) and corporate guarantee of Bhagwati Apartment Private Limited.

**B)** Term Loan from PNB under GECL & CECF is secured by extension of charge on entire current assets (present and future). Extension of charge over the existing Primary & Collateral securities excluding Personal/ Corporate Guarantees shall be done.

**C)** Details of repayment of Term Loans terms is give below :

Name of Bank	Rate of Interest	Outstanding as on 31st March 2022	Equated Monthly Installment	Pending no. of installments	Starting Date	Ending Date
Working Capital Term Loan	9.00%	1,80,000	1,500	120	October, 2023	October, 2033
Demand Loan (CECF)#	7.75%	6,040	1,000	6	April, 2021	September, 2022
Working Capital Term Loan (GECL)*	7.65%	28,000	778	48	October, 2022	September, 2026
Working Capital Term Loan (GECL)#	7.65%	18,700	519	60	November, 2023	November, 2028

\*EMI Includes Interest also.

#Last installment will be paid @Rs.1040

**18.2 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. 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.

**18.3 Vehicle Loans:** Vehicle Loans are secured by hypothecation of specific vehicles. The terms of repayment is given below :

Name of Bank/Financial Institution	Rate of Interest	Outstanding as on 31st March, 2022	Equated Monthly Installment	Pending no. of installments	StartingDate	Ending Date
Yes Bank Ltd.	9.00	235	12	22	August, 2018	Dec, 2023

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

18.5 The Company has registered all the applicable charges with registrar of Companies within the statutory period

**19 PROVISIONS**

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Provisions for Employee Benefits</b>		
Gratuity (Refer Note No. 36)	3,06,559	3,31,800
Leave Encashment	<u>9,036</u>	9,467
	<u>3,15,595</u>	<u>3,41,267</u>

**20 OTHER NON-CURRENT LIABILITIES**

Deferred Revenue Grant	<u>6,370</u>	7,434
	<u>6,370</u>	<u>7,434</u>

**20.1 Movement of Deferred Revenue**

Particulars	<b>2021-22</b>	<b>2020-21</b>
Opening Balance (including current deferred revenue grant)	10,212	13,913
Add: Grant received/receivable during the year	-	-
Less: Released to Statement of Profit & Loss	<u>2,609</u>	3,701
Less: Current portion of the Deferred Revenue Income	<u>1,233</u>	2,778
Closing Balance	<u>6,370</u>	7,434





Notes to Financial Statements for the year ended 31st March, 2022

	As at March 31, 2022	Amount (in Rs.'000) As at March 31, 2021
<b>21 BORROWINGS</b>		
<b>Secured</b>		
Current maturity of long term debt (Refer Note 18)	10,836	14,496
Working Capital facilities from Banks:		
Cash Credit	-	1,60,882
Buyer's Credit in Local Currency	34,267	34,365
<b>Unsecured</b>		
Rupee Loan from Bodies Corporate	12,032	13,700
Rupee Loan from Directors	2,000	28,000
Rupee Loan from Members	3,385	10,850
	<b>62,520</b>	<b>2,62,293</b>

21.1 Based on the RBI guidelines in respect of policy on one time restructuring of MSME advances, the entire credit facilities of the Company has been restructured on 29th September, 2021 by the sole banker without any downgradation in asset classification. Accordingly, the Company's cash credit facility has been converted into term loan with a moratorium of 24 months and there has been significant reduction in interest rates which would be beneficial to the company.

21.2 As a result of continuous losses and acute financial crisis, the company has requested its unsecured lenders for one-time settlement of the outstanding borrowings as at March 31, 2022 which has been accepted by majority of the lenders. Accordingly, Rs.129,083 being the differential amount of outstanding borrowings and settlement amount has been accounted for 'Exceptional Item' during the year ended March 31, 2022. The entire payable amount of Rs. 14,343 has been paid to the respective lenders on 08th April, 2022

21.3 Rupee loan from Body Corporate amounting to Rs.3,075 is repayable on demand. The Interest on the aforesaid loan in respect of the current financial year has been waived off by the lender.

21.4 There is no default as on the balance sheet date in the repayment of Borrowings and interest accrued from banks.

	As at March 31, 2022	As at March 31, 2021
<b>22 TRADE PAYABLES</b>		
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 40)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,65,136	6,07,625
	<b>4,65,136</b>	<b>6,07,625</b>

Additional disclosures as per Schedule-III requirement:

Particulars	Outstanding as on March 31, 2022 from due date of payment						
	Unbilled date	Not Due	Up to 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	4,966	-	4,14,546	8,460	57	37,107	4,65,136
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

  

Particulars	Outstanding as on March 31, 2021 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Others	16,712	-	5,52,383	118	1,374	37,038	6,07,625
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

	As at March 31, 2022	As at March 31, 2021
<b>23 OTHER CURRENT FINANCIAL LIABILITIES</b>		
Interest accrued but not due on borrowings	353	2,365
Interest payable (other than borrowings)	-	535
Deposit against Sales Tax Form	160	317
Payable to Employees	6,738	22,776
	<b>7,251</b>	<b>25,993</b>

23.1 Payable to Employees include Rs. 444 (As at 31st March, 2021: Rs NIL) to Related Parties/Key managerial personnel.



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Notes to Financial Statements for the year ended 31st March, 2022

	As at <u>March 31, 2022</u>	<u>Amount (in Rs.'000)</u> As at March 31, 2021
<b>24 CONTRACT LIABILITIES</b>		
Advance from Customers	<u>116</u>	<u>3,469</u>
	<u>116</u>	<u>3,469</u>
<b>25 OTHER CURRENT LIABILITIES</b>		
Statutory dues payable	9,802	30,361
Deferred Revenue (Refer Note 20.1)	1,233	2,778
Other Payables	0	0
	<u>11,035</u>	<u>35,139</u>
<b>26 PROVISIONS</b>		
<b>Employee Benefits</b>		
Gratuity (Refer Note No. 36)	87,070	62,446
Leave Encashment	2,361	2,048
Bonus	<u>11,912</u>	<u>16,702</u>
	<u>1,01,343</u>	<u>81,196</u>
<b>27 REVENUE FROM OPERATIONS</b>		
<b>Sale of products (Refer Note 47)</b>		
Domestic	14,99,960	16,85,801
Export	<u>14,565</u>	<u>34,446</u>
	<u>15,14,525</u>	<u>17,20,247</u>
<b>Other operating Revenue</b>		
Scrap Sales	3,004	1,968
Sewing & Branding	1,240	1,825
Deferred Revenue Grant Income (Refer Note 20.1)	2,609	3,701
Export Incentives (MEIS, Duty Drawback & Focus Market Scheme)	<u>405</u>	<u>1,676</u>
	<u>7,258</u>	<u>9,170</u>
	<u>15,21,783</u>	<u>17,29,417</u>
<b>28 OTHER INCOME</b>		
<b>Interest Income</b>		
On Banks Deposits	<u>335</u>	<u>482</u>
	<u>335</u>	<u>482</u>
<b>Other Non Operating Income</b>		
Gain on sale/discard of Property, Plant & Equipment (Net)	99	-
Net Gain/(Loss) on Foreign Currency Transaction/Translation	-	19
Liability no longer required written back	1,271	4
Sundry Receipts	<u>91</u>	<u>43</u>
	<u>1,461</u>	<u>66</u>
	<u>1,796</u>	<u>548</u>
<b>29 COST OF MATERIALS CONSUMED</b>		
Raw Materials (Raw Jute)	<u>9,69,814</u>	<u>11,31,238</u>
	<u>9,69,814</u>	<u>11,31,238</u>
<b>30 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
<b>Inventories at the beginning of the year</b>		
Finished Goods	68,681	71,970
Work-in-Process	<u>1,55,091</u>	<u>1,50,274</u>
	<u>2,23,772</u>	<u>2,22,244</u>
<b>Inventories at the end of the year</b>		
Finished Goods	13,360	68,681
Work-in-Process	<u>63,053</u>	<u>1,55,091</u>
	<u>76,413</u>	<u>2,23,772</u>
(Increase)/Decrease in Inventories of Finished Goods & WIP	<u>1,47,359</u>	<u>(1,528)</u>



## Notes to Financial Statements for the year ended 31st March, 2022

	<u>For the year ended March 31, 2022</u>	<u>Amount (in Rs.'000) For the year ended March 31, 2021</u>
<b>31 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & Wages	3,36,722	4,44,523
Contribution to Provident & Other Funds	84,255	96,648
Staff Welfare Expenses	<u>2,036</u>	<u>1,934</u>
	<u>4,23,013</u>	<u>5,43,105</u>
<b>32 FINANCE COSTS</b>		
<b>Interest Expenses</b>		
On Term Loan	11,648	2,288
On Cash Credit	10,550	18,923
On Unsecured Loan	28	6,881
On Buyer's Credit	1,319	1,688
On Preference Shares	1,368	1,250
On Goods and Service Tax	1,034	1,679
On Car Loan	<u>49</u>	<u>204</u>
	25,996	32,913
<b>Other Borrowing Cost</b>		
Other Financial Charges	<u>116</u>	26
	<u>116</u>	<u>26</u>
	<u>26,112</u>	<u>32,939</u>
<b>33 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation on Property, Plant and Equipment	10,797	12,418
Amortisation Expenses on Intangible Assets	<u>283</u>	<u>375</u>
	<u>11,080</u>	<u>12,793</u>
<b>34 OTHER EXPENSES</b>		
<b>Manufacturing</b>		
Stores & Spares Consumed	61,958	70,415
Power & Fuel	62,221	84,873
Repairs To Machinery	4,134	5,171
Repairs To Buildings	849	726
Insurance	<u>2,933</u>	<u>2,580</u>
	(A) 1,32,095	1,63,765
<b>Selling and Administration</b>		
Rent	2,062	2,070
Motor Car Expenses	3,500	2,640
Travelling Expenses	855	639
Rates & Taxes	1,772	5,909
Repairs To Others	5,707	5,583
Professional Service Charges	3,555	3,678
Export Expenses (including Freight Rs. 1,710, Previous year Rs. 2,119)	2,082	3,065
Auditor's Remuneration:		
As Statutory Audit Fees	375	375
For Taxation Matters	40	40
In Other Capacity	<u>175</u>	<u>250</u>
Forwarding & Delivery Charges	5,659	6,905
Brokerage & Commission on Sales	1,382	3,568
Sundry Balances written off (Net)	261	0
Net Gain / (Loss) on Foreign Currency Transaction / Translation	195	419
Net Gain / (Loss) on Foreign Currency Derivative Transaction	114	0
Loss on sale/discard of Property, Plant & Equipment (Net)	-	27
Directors Sitting Fees	97	103
Miscellaneous Expenses	<u>25,297</u>	<u>28,536</u>
	(B) 53,128	63,807
<b>Total = (A) + (B)</b>	<u>1,85,223</u>	<u>2,27,572</u>

34.1 Stores and spares consumed includes Rs 6,385 (Previous year Rs.7,269) on account of Repairs to Machinery (fully indigenous).

**Notes to Financial Statements for the year ended 31st March, 2022**

<b>Amount (in Rs.'000)</b>	
As at	As at
<b>March 31, 2022</b>	March 31, 2021

**35 CONTINGENT LIABILITIES & COMMITMENTS**
**35.1 Contingent Liabilities not provided for in respect of:**

a) Sales Tax & VAT payable due to non-collection of certain declaration forms and the demand pending under appeal pertaining to financial years 2004-05 to 2017-18. Against the above, an amount of Rs. 5,252 (31st March, 2021- Rs. 7,931) has been paid to relevant authorities as deposit against appeal.	35,694	33,643
b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. The Company is awaiting the outcome of the review petition, and also directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of accounts.	-	-

**Note :** The amount shown above represents the best possible estimate arrived at on the basis of available information. The uncertainties are dependent on outcome of different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company does not expect any reimbursements against above.

- c) The Code on Social Security, 2020 (Code) related to various employee benefits received Presidential assent in September, 2020 and has been published in the Gazette of India. However, the date on which the Code will come in effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**35.2 Capital and Other Commitments**

- a) There is Nil amount of contracts remaining to be executed on capital account net of advance/deposit

**36 EMPLOYEE BENEFITS**

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

- 36.1 **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:-

<b>Particulars</b>	<b>For the year ended 31st March, 2022</b>	For the year ended 31st March, 2021
Employer's Contribution to Provident Fund	5,893	7,428
Employer's Contribution to Superannuation Fund	300	300
Employer's Contribution to Pension Scheme	18,230	24,973
Employer's Contribution to Employees State Insurance Scheme	8,824	12,590

**36.2 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

- a) **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
- b) **Salary risk :** Higher than expected increases in salary will increase the defined benefit obligation.
- c) **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.

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.



## Notes to Financial Statements for the year ended 31st March, 2022

Amount (in Rs.'000)

I Particulars	As at	As at
	March 31, 2022	March 31, 2021
Present Value of funded obligations	4,12,562	4,12,446
Fair Value of plan assets	18,933	18,200
<b>Liabilities in respect of funded obligations on actuarial valuation basis</b>	<b>3,93,629</b>	<b>3,94,246</b>

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Present value of defined benefit obligation at the beginning of the year	4,12,446	3,45,246
Employer Service Cost	20,412	21,464
Interest Cost	30,261	26,938
Plan Amendments: Vested portion at the end of period (past service)	-	-
Actuarial Gain (-) / Loss (+)	(49,809)	18,798
Benefits paid	(748)	0
<b>Present value of defined benefit obligation at the end of the year</b>	<b>4,12,562</b>	<b>4,12,446</b>

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Fair Value of Plan Assets at the beginning of the year	18,200	13,681
Acquisition adjustments	-	-
Expected return on Plan Assets	1,311	922
Actual Company Contribution	-	3,000
Benefit Payments	(748)	-
Appreciation/Depreciation of Plan Assets	-	-
Actuarial Gain (+)/Loss (-)	170	597
<b>Fair Value of Plan Assets at the end of the year</b>	<b>18,933</b>	<b>18,200</b>

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

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current Service Cost - Gratuity (Funded)	20,412	21,464
Past Service cost (vested)	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability/(Asset)	28,951	26,016
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>49,363</b>	<b>47,480</b>

V Remeasurement recognised in Other Comprehensive Income

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(13,655)	(11,280)
- experience variance (i.e. Actual experience vs assumptions)	(36,154)	30,078
- others	-	-
Return on plan assets, excluding amount recognized in net interest expenses	(170)	(597)
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Components of defined benefit cost recognised in other comprehensive income</b>	<b>(49,979)</b>	<b>18,201</b>

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Qualifying insurance policy	100%	100%

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
1 Mortality	IALM 2012-2014 Ultimate	IALM 2006-2008 Ultimate
2 Discount Rate	7.18% - 7.35%	6.71% - 6.96%
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	58 Years

**Notes to Financial Statements for the year ended 31st March, 2022**
**Amount (in Rs.'000)**

As at	As at
<b>March 31, 2022</b>	March 31, 2021

VIII A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:

Increase/Decrease in present value of defined benefits obligation due to following factors:	Sensitivity Level	31-Mar-22		31-Mar-21	
		Increase	Decrease	Increase	Decrease
		Discount Rate	0.50%	3,94,891	4,31,631
Further salary increase	0.50%	4,32,030	3,94,393	4,33,836	3,92,541
Attrition rate	0.50%	4,12,757	4,12,369	4,12,636	4,12,256
Mortality rate	0.10%	4,12,917	4,12,209	4,12,783	4,12,108

The sensitivity analyses 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, 2022
Within the next 12 months	97,815
Between 2 and 5 years	91,599
Between 6 and 10 years	1,35,165
Beyond 10 years	5,73,593

X As at 31st March, 2022, the weighted average duration of defined benefit obligation was 15 years.

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

**37 EARNINGS PER SHARE (EPS)**

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Net Profit for the Year (Rs.)	(1,09,939)	(2,16,154)
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.)	(42.46)	(83.47)

**38 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.

**38.1 Geographical Segment**

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

	31st March, 2022		31st March, 2021	
	India	Overseas	India	Overseas
Revenue from operations (Sale of Jute Goods)	14,99,960	14,565	16,85,801	34,446
Non Current Assets Other than financial instruments*	6,89,336	-	6,99,967	-

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

**38.2 Extent on reliance on major customer:**

Revenue from government agencies amounting to Rs. 13,14,579 (approx 87% of revenue) [FY 2020-21- Rs. 12,21,903 (71 % of revenue) arising on sale of Jute sacking bags within India].

**39 RELATED PARTY TRANSACTIONS**

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

**39.1 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 Pranab Kumar Mookerjee- Independent Director (Resigned w.e.f. 01.10.2021)
- 4 Shri Pradeep Kumar Jain- Independent Director
- 5 Shri Rohit Banka- Independent Director
- 6 Shri Piyush Bhartia- Independent Director
- 7 Smt. Smita Poddar-Non Executive Director (Resigned w.e.f. 16.10.2021)
- 8 Shri Shiv Kumar Seksaria - Non-Executive Director
- 9 Smt. Vijaya Chetlangia-Independent Director (Appointed w.e.f. 14.02.2022 and resigned w.e.f. 26.04.2022)



**Notes to Financial Statements for the year ended 31st March, 2022**
**II Relatives of Key Managerial Personnel**

- 1 Smt. Usha Kanoria
- 2 Smt. Vinita Ahmed
- 3 Smt. Sonal Hada
- 4 Smt. Ashima Jain
- 5 Shri Vihaan Hada
- 6 Smt. Smita Poddar Resigned w.e.f. 17.10.2021)

**III Entities over which KMP and relatives of KMP exercise Control/ Significant Influence**

- 1 B.P. Investments Limited
- 2 Excellent Dealers LLP
- 3 Vanila Tracom LLP
- 4 P.K. Business Enterprise Limited
- 5 Vapi Investments Limited
- 6 Softlink Merchants Pvt. Limited
- 7 Devang Tradecom Pvt. Limited
- 8 Arawali Nivas LLP
- 9 Ajay Investment Enterprise Ltd.
- 10 Shraddha Investments Ltd.
- 11 Pawan Kumar Kanoria (HUF)
- 12 Automation Tracom Pvt. Limited
- 13 Valio Merchants LLP

**IV Post Employment Benefit Plan Entities**

Reliance Jute Mills Co.Ltd. Employees Provident Fund

39.2 Particulars of Transactions during the year ended 31st March, 2022 :

Nature of Transaction	Period	Key Management Personnel	Relatives to Key Management Personnel	Amount (in Rs.'000)	
				Entities where control exists	Post Employment benefit plan entities
Remuneration*	2021-22	12,880	1,707	-	-
	2020-21	12,513	828	-	-
Purchase of Raw Jute	2021-22	-	-	-	-
	2020-21	-	-	79,434	-
Rent Paid/Service Charges	2021-22	336	1,064	662	-
	2020-21	672	1,008	306	-
Sitting Fees	2021-22	88	9	-	-
	2020-21	97	6	-	-
Interest Paid	2021-22	-	-	29	-
	2020-21	-	1,122	760	-
Service Charges	2021-22	-	-	132	-
	2020-21	-	-	144	-
Contribution made to PF Trust (including Employees' share)	2021-22	-	-	-	63,469
	2020-21	-	-	-	90,978
Loan Taken	2021-22	500	23,000	1,48,800	-
	2020-21	-	61,500	13,700	-
Loan Repaid	2021-22	-	8,500	69,850	-
	2020-21	-	36,350	8,350	-
Exceptional Item (Loan Written back)	2021-22	18,000	30,465	80,618	-
	2020-21	-	-	-	-
<b>Balance outstanding at the year end:</b>					
Security Deposit	31st March, 2022	-	-	-	-
	31st March, 2021	3,000	4,500	-	-
Loan	31st March, 2022	2,000	3,385	12,032	-
	31st March, 2021	19,500	19,350	13,700	-
Interest Payable	31st March, 2022	-	-	-	-
	31st March, 2021	-	1,038	703	-
PF Contribution Payable	31st March, 2022	-	-	-	8,252
	31st March, 2021	-	-	-	7,276
Remuneration Payable	31st March, 2022	444	-	-	-
	31st March, 2021	-	-	-	-

\*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**

CIN: L17125WB1996PLC081382

**Notes to Financial Statements for the year ended 31st March, 2022**

**Amount (in Rs.'000)**

	Period	Shri Pawan Kumar Kanoria	Shri Sanjay Hada	Shri Vijendra Kumar Chaukhani	Shri Suwendu Kumar Chatterjee
Short Term Employee Benefits	<b>2021-22</b>	<b>5,200</b>	<b>7,380</b>	-	-
	2020-21	2,750	7,800	662	1,001
Post Employment Benefits	<b>2021-22</b>	<b>150</b>	<b>150</b>	-	-
	2020-21	150	150	-	-
Other Long Term Benefits	<b>2021-22</b>	-	-	-	-
	2020-21	-	-	-	-
Termination Benefits	<b>2021-22</b>	-	-	-	-
	2020-21	-	-	-	-
Share Based Payments	<b>2021-22</b>	-	-	-	-
	2020-21	-	-	-	-

\*All the transactions with Related Parties have been done on Arm's Length price.

- 40** 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 :-

	<b>Particulars</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
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	-	-

**41 WAIVER OF INTEREST**

In view of the Covid-19 pandemic, suspension of work at mill and acute financial crisis, the company has approached it's Jute Creditors for the waiver of interest on delayed payment for the current financial year which has been duly accepted. Accordingly, no interest provision for the same has made in the financial results for the year ended March 31, 2022.

**42 DIVIDEND ON 6% CUMULATIVE REDEEMABLE PREFERENCE SHARES**

Based on the request made by the company and considering the acute financial stress as a result of recurring losses in the last few years, the preference shareholders have accorded their consent in writing by waiving the cumulative preference dividend payable to them upto 31st March, 2022. The said matter was taken on record by the Board of Directors of the Company at their meeting held on 23rd April, 2021 .

**43 SUSPENSION OF WORK**

The management was forced to declare suspension of work at the company's mill w.e.f. 25th April, 2021 due to non availability of raw jute, continuing low efficiency, decline in production and disruption of work by some section of workers. The operations of the mill have resumed w.e.f 28th July, 2021 after tripartite agreement between the management, operating trade unions of the Company and office of the Jt. Labour Commissioner, Government of West Bengal. Further, the management has again declared temporary suspension of work at the company's mill w.e.f. 27th January, 2022. As a result of the same, the performance of the company was adversely affected during the quarter and year ended 31st March, 2022.



Notes to Financial Statements for the year ended 31st March, 2022

Amount (in Rs.'000)

**44 SALE OF STAKE BY PROMOTER & PROMOTER GROUP SHARE**

The existing promoter & promoter group members of the company have entered into an agreement on April 21, 2022 for sale of existing shareholding of 13,20,640 equity shares representing 51% of the Equity Share Capital of the company as per the terms and conditions set forth in the Sale Purchase Agreement. The aforesaid transaction is subject to regulatory approvals and compliances under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI Takeover Code 2011') as amended.

**45 GOING CONCERN**

a) The Company has incurred cash losses during the current year ended 31st March, 2022 as well as in the previous years. Further, the networth of the company has completely eroded and its current liabilities exceeds current assets. However, in view of the proposed transfer of shares and expected increased financial support, the financial statements for the year ended 31st March, 2022 have been prepared on the going concern basis.

**46 DEFERRED TAX ASSETS (NET)**

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:

	Amount (in Rs.'000)	
	31st March, 2022	31st March, 2021
<b>(A) Deferred Tax Asset</b>		
Section 43B items	1,02,814	1,01,745
Business Losses & Unabsorbed Depreciation	1,75,431	1,50,440
Provision on Expected Credit Loss (ECL)	5,544	5,544
MAT Credit Entitlement	409	409
Others	747	-
<b>Total (A)</b>	<b><u>2,84,945</u></b>	<b><u>2,58,138</u></b>
<b>(B) Deferred Tax Liability</b>		
Fair Value gain on Preference Share	8,882	9,237
Depreciation	7,673	7,571
Others	-	69
<b>Total (B)</b>	<b><u>16,555</u></b>	<b><u>16,877</u></b>
<b>Net Deferred Tax Asset (A - B)</b>	<b><u>2,68,390</u></b>	<b><u>2,41,261</u></b>

**47 DISCLOSURE AS PER IND AS 115**

**A Nature of goods and services:** The Company is engaged in the manufacturing and sale of Jute goods and the same is only the reportable segment of the Company.

**B Disaggregation of revenue:** In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

	31st March, 2022	31st March, 2021
<b>(i) Primary Geographical Markets</b>		
Within India	14,99,960	16,85,801
Outside India	14,565	34,446
<b>Total</b>	<b><u>15,14,525</u></b>	<b><u>17,20,247</u></b>
<b>(ii) Major Products</b>		
Jute goods	15,14,525	17,20,247
<b>Total</b>	<b><u>15,14,525</u></b>	<b><u>17,20,247</u></b>
<b>(iii) Timing of Revenue</b>		
At a point in time	15,14,525	17,20,247
Overtime	-	-
<b>Total</b>	<b><u>15,14,525</u></b>	<b><u>17,20,247</u></b>
<b>(iv) Contract Duration</b>		
Long Term	-	-
Short Term	15,14,525	17,20,247
<b>Total</b>	<b><u>15,14,525</u></b>	<b><u>17,20,247</u></b>
<b>(v) Sales Channel</b>		
Direct to Customers	15,14,525	17,20,247
Through Intermediaries	-	-
<b>Total</b>	<b><u>15,14,525</u></b>	<b><u>17,20,247</u></b>

**Notes to Financial Statements for the year ended 31st March, 2022**
**Amount (in Rs.'000)**

**C Contract balances:** The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Receivables which are included in "Trade Receivables"	<b>12,446</b>	93,569
Contract assets	-	-
Contract liabilities (Advance from Customer)	<b>116</b>	3,469
Total (Assets-Liabilities)	<b>12,330</b>	<u>90,100</u>

**D. Other Information**

(i) Transaction price allocated to the remaining performance obligations	Nil	Nil
(ii) The amount of revenue recognised in the current year that was included in the opening contract liability balance	<b>3469</b>	1,995
(iii) The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
(iv) Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil
(v) Significant payment terms		
Financing Component	Nil	Nil
Volume Discount	Nil	Nil

**48 RATIO ANALYSIS AND ITS ELEMENTS**

<b>Ratio</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	<b>Variance</b>	<b>Reasons for variance</b>
Current Ratio	0.34	0.54	-36%	Due to decrease in volumes of the operation and increased losses incurred during the year
Debt Equity Ratio	-1.02	-1.61	-37%	Due to exceptional gain on one time settlement of Unsecured Loan
Debt Service Coverage Ratio	(5.55)	(4.79)	16%	N.A.
Return on Equity	-162%	-182%	-11%	N.A.
Inventory Turnover	7.51	5.79	30%	Due to closure of mill operations w.e.f 27th January, 2022, the stock lying at mill has decreased significantly.
Debtors Turnover	28.74	17.91	60%	Due to closure of mill operations w.e.f 27th January, 2022, the closing debtors has declined significantly.
Trade Payable Turnover Ratio	1.66	2.17	-24%	N.A.
Net Capital Turnover Ratio	-3.58	-4.22	-15%	N.A.
Net Profit Margin (%)	-15.71%	-12.50%	26%	Due to decrease in volumes of the operation and increased losses incurred during the year
Return on Average Capital Employed	-55.54%	-44.59%	25%	N.A.

**Ratios have been computed as follows:**

- Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)
- Debt equity ratio = Debt / Equity  
Debt = Borrowings (Long Term + Short term)  
Equity = Equity share capital + Other equity
- Debt service coverage ratio = Earnings before interest\* and tax / [Finance cost\* + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]
- Return on equity ratio = Profit after Tax / Average of opening and closing Shareholders equity.
- Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories
- Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables.
- Net profit margin = Profit After Tax (excluding exceptional items) / Revenue from Operations
- Return on Average Capital Employed = Earnings Before Interest and Tax / Average Capital Employed (Current Assets- Current Liabilities)
- Trade Payables Turnover Ratio = COGS / Average Trade Payables
- Net Capital Turnover ratio = Revenue / Average Working Capital



## Notes to Financial Statements for the year ended 31st March, 2022

## 49 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.

Quantitative data	Amount (in Rs.'000)	
	As at 31st March, 2022	As at 31st March, 2021
Current Assets	2,22,019	5,43,599
Current Liabilities	6,47,401	10,13,715
<b>Current Ratio</b>	<b>0.34</b>	<b>0.54</b>
Debt*	3,00,499	3,79,473
Equity	(2,95,990)	(2,36,030)
<b>Debt Equity Ratio</b>	<b>(1.02)</b>	<b>(1.61)</b>

## 50 FAIR VALUE MEASUREMENT

## A. FAIR VALUE MEASUREMENT

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

	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>(a) Financial Assets (Non-Current)</b>						
(i) Investments	-	-	-	-	-	-
(ii) Other Financial Assets	-	-	2,679	-	-	-
<b>Total (a)</b>	-	-	2,679	-	-	-
<b>(b) Financial Assets (Current)</b>						
(i) Trade receivables	-	-	12,446	-	-	93,569
(ii) Cash and cash equivalents	-	-	4,593	-	-	2,820
(iii) Bank Balances other than cash and cash equivalents	-	-	5,304	-	-	8,750
(iv) Loans	-	-	-	-	-	-
(v) Other current financial assets	-	-	89,288	-	-	97,328
(vi) Other receivable	-	-	5,495	-	-	5,514
<b>Total (b)</b>	-	-	1,17,126	-	-	2,07,981
<b>Total Financial assets (a + b)</b>	-	-	1,19,805	-	-	2,07,981

	March 31, 2022		March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>(a) Financial Liabilities (Non-Current)</b>				
(i) Borrowings	-	2,37,979	-	1,17,180
<b>Total (a)</b>	-	2,37,979	-	1,17,180
<b>(b) Financial Liabilities (Current)</b>				
(i) Borrowings	-	62,520	-	2,62,293
(ii) Trade Payables	-	4,65,136	-	6,07,625
(iii) Other Financial Liabilities	-	7,251	-	25,993
<b>Total (b)</b>	-	5,34,907	-	8,95,911
<b>Total Financial Liabilities (a + b)</b>	-	7,72,886	-	10,13,091



**Notes to Financial Statements for the year ended 31st March, 2022****51 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

- Credit risk
- Liquidity risk
- Market risk
- 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, 2022			As at 31st March, 2021		
	Less than 2 years	More than 2 years	Total	Less than 2 years	More than 2 years	Total
Gross Carrying Amount	12,446	3,348	15,794	93,569	3,348	96,917
Expected loss rate	0%	100%		0%	100%	
Expected credit losses	-	3,348	3,348	-	3,348	3,348
Carrying amount of trade	12,446	-	12,446	93,569	-	93,569

**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.

**Loans to Body Corporate (including accrued interest)**

Particulars	As at 31st March, 2022			As at 31st March, 2021		
	Less than 2 years	More than 2 years	Total	Less than 2 years	More than 2 years	Total
Gross Carrying Amount	-	15,828	15,828	-	15,828	15,828
Expected loss rate	0%	100%		0%	100%	
Expected credit losses	-	15,828	15,828	-	15,828	15,828
Carrying amount of loans (net of	-	-	-	-	-	-

Reconciliation of Loss Allowance provision		Trade Receivable	Loss to body Corporate
Loss allowance as on 31st March, 2021		3,348	15,828
Change in Loss Allowance (net)		-	-
<b>Loss allowance as on 31st March, 2022</b>		<b>3,348</b>	<b>15,828</b>

**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.

Particulars	On Demand	0 to 12 Months	More than 1 year to 5 years	More than 5 years	Total
<b>Year ended 31st March, 2022</b>					
Long Term borrowings (including current liabilities)	-	10,836	2,22,139	15,840	2,48,815
Short Term borrowings	17,417	34,267	-	-	51,684
Trade payables	-	4,65,136	-	-	4,65,136
Interest accrued but not due on borrowings	-	353	-	-	353
Interest payable (other than borrowings)	-	-	-	-	-
Others	-	160	-	-	160
Payable to Employees	-	6,738	-	-	6,738
<b>Total</b>	<b>17,417</b>	<b>5,17,490</b>	<b>2,22,139</b>	<b>15,840</b>	<b>7,72,886</b>
<b>Year ended 31st March, 2021</b>					
Long Term borrowings (including current liabilities)	-	14,496	32,508	84,672	1,31,676
Short Term borrowings	52,550	1,95,247	-	-	2,47,797
Trade payables	-	6,07,625	-	-	6,07,625
Interest accrued but not due on borrowings	-	2,365	-	-	2,365
Interest payable (other than borrowings)	-	535	-	-	535
Others	-	317	-	-	317
Payable to Employees	-	22,776	-	-	22,776
<b>Total</b>	<b>52,550</b>	<b>8,43,361</b>	<b>32,508</b>	<b>84,672</b>	<b>10,13,091</b>



**Notes to Financial Statements for the year ended 31st March, 2022**
**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 does not have any foreign currency exposures as on 31-03-2022

**ii) Interest rate risk**

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, 2022	31st March, 2021
<b>Fixed Rate Instruments</b>		
Financial Assets	5,304	8,750
Financial Liabilities	67,759	1,72,591
	73,063	1,81,341
<b>Variable Rate Instruments</b>		
Financial Assets	-	-
Financial Liabilities	2,32,740	2,06,882
	2,32,740	2,06,882

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, 2022	+50	-1164	-1164
	-50	1164	1164
As at 31st March, 2021	+50	-1034	-1034
	-50	1034	1034

**52 Other Statutory Information**

- The company has not revalued its Property, Plant and Equipment and intangible asset during the year.
- The company does not have any Benami property. Further there are no proceedings initiated or are pending against the company for holding any Benami property under the Prohibition of Benami property/Transactions Act 1988 and Rules made thereunder.
- The company does not have transactions with any struck off companies during the year.
- The company has not traded or invested in Cryptocurrency or Virtual currency during the current financial year.
- The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company(Ultimate Beneficiaries); or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries); or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.
- The company has not been declared as a Wilful defaulter by any bank or Financial institution or government or any government authority.
- The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with companies(restriction on number of layers) rules, 2017.
- The company has not filed any scheme of arrangements in terms of section 230 to 237 of the Companies Act 2013 with any Competent Authority.

- The company has considered the possible risk that may result from the pandemic relating to Covid -19 on the carrying amounts of assets including inventories, receivables and other financial and non financial assets, for which the company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis as well as the internal/external information available upto the date of approval of these financial results and the same does not have any material impact on these financial results. However, the impact assessment of Covid -19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor any material changes to future economic conditions.

- Previous year figures have been regrouped / rearranged wherever considered necessary.

**As per our Report annexed**
**For J K V S & Co.**
**Chartered Accountants**

FRN No.318086E

**SUPRIO GHATAK**
**Partner**

Membership No.051889

Kolkata, the 30th day of May, 2022

**On behalf of the Board of Directors**

<b>P. K. Kanoria</b>	- Chairman	(DIN:00305297)
<b>S. Hada</b>	- Managing Director & CEO	(DIN:00305476)
<b>P. K. Jain</b>	- Director	(DIN:00372338)
<b>D. K. Kothari</b>	- Chief Financial Officer	
<b>Sweety Jhunjhunwala</b>	Company Secretary	