

24th
ANNUAL REPORT
APRIL 2019 – MARCH 2020



RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

RELIANCE JUTE MILLS (INTERNATIONAL) LIMITED

BOARD OF DIRECTORS :

- Shri P. K. Kanoria – Executive Chairman
- Shri S. Hada – Managing Director & CEO
- Smt. S. Poddar – Non-Executive Director
- Smt. Sonal Hada – Alt. Director to Smt. Smita Poddar
- Shri P. K. Jain – Independent Director
- Dr. P. K. Mookerjee – Independent Director
- Shri P. Bhartia – Independent Director
- Shri R. Banka – Independent Director
- Shri V. K. Chaukhani – Whole-time Director*
- Shri S. K. Chatterjee – Whole-time Director**

*Resigned w.e.f. 12th June, 2020
 **Appointed w.e.f. 12th June, 2020

PRESIDENT (FINANCE) & COMPANY SECRETARY : Shri S. K. Agarwal

REGISTERED OFFICE :

Ideal Plaza, South Block, 4th Floor
 11/1, Sarat Bose Road, Kolkata-700020
 Phone: (033) 2280 7017/18, Fax: (033) 2280 7016
 E-mail: financeho@reliancejute.com
 Website: 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
 34/1A, Sudhir Chatterjee Street
 Kolkata-700 006
 Phone No. : (033) 2219 6797, Fax: (033) 2219 4815
 E-mail: skcdifip@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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Reliance Jute Mills (International) Limited

CIN: L17125WB1996PLC081382,

Registered Office: Ideal Plaza, South Block, 4th Floor, 11/1, Sarat Bose Road, Kolkata-700020
Website : www.reliancejute.com, Email : financeho@reliancejute.com, Tel: +91 33 2280 7017/18

NOTICE OF 24TH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of Reliance Jute Mills (International) Limited will be held on Tuesday, 29th September, 2020 at 4.00 p.m. through Video Conference / Other Audio Visual Means, to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at Ideal Plaza, South Block, 4th Floor, 11/1, Sarat Bose Road, Kolkata-700020.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Smita Poddar (DIN : 01204391), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Suwendu Kumar Chatterjee (DIN: 00518597), who was appointed as an Additional Director of the Company with effect from 12th June, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offer himself for appointment and in respect of whom the Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Act, signifying his intention to propose the candidature of Shri Suwendu Kumar Chatterjee for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation, with effect from the date of this Meeting.

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 the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 (the "Act"), the Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), also read with the Articles of Association of the Company, the recommendations and / or approvals of the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors of the Company (the "Board") and subject to such other approval(s) as may be required, approval of the Members of the Company be and is hereby accorded to the appointment of Shri Suwendu Kumar Chatterjee (DIN: 00518597), as a Whole-time Director of the Company, liable to retire by rotation, for a period of 2 (two) consecutive years commencing from 12th June, 2020 on such terms and conditions together with the remuneration payable to him as contained in the Agreement executed by and between Shri Chatterjee and the Company, salient features of which are provided in the Explanatory Statement under Section 102 of the Act as annexed to this Notice, with liberty to the Board to vary the terms and conditions of the said appointment including remuneration within the overall limits of Section 197 of the Act, as may be mutually agreed with Shri Chatterjee from time to time.

FURTHER RESOLVED THAT the Board (which term includes a duly constituted committee thereof) be and is hereby authorised to do all such acts, deeds and things and give such directions, as it may in its absolute discretion, deem necessary to give effect to this Resolution and settle any question that may arise in this regard."

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

“RESOLVED THAT pursuant to the provisions of Section 13 sub-section (1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 13,01,00,000/- (Rupees Thirteen Crores One Lac) only divided into 30,10,000 (Thirty Lacs Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each and 10,00,000 (Ten Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each to Rs. 18,01,00,000/- (Rupees Eighteen Crores One Lac) only divided into 30,10,000 (Thirty Lacs Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each and 15,00,000 (Fifteen Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each, by creation of additional 5,00,000 (Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each and that Clause 5 of the Memorandum of Association of the Company be and is hereby altered accordingly”.

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 55 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the Articles of Association of the Company, approval of the members be and is hereby accorded to authorise the Board of Directors of the Company to create, offer, issue and allot 10,00,000 (Ten Lacs) Redeemable Cumulative Preference Shares of Rs.100/- each to be issued at par for an aggregate amount not exceeding Rs.10,00,00,000/- (Rupees Ten Crores) only as the Board may decide to various entities/persons which may include the Promoter/Promoter Group and Associates, whether or not they are Member(s) of the Company, on private placement basis and subject to the following terms and conditions:

- **Premium:** Redeemable Cumulative Preference Shares of Rs.100/- each shall be issued at par with no premium.
- **Dividend:** Dividend not exceeding @ 2% per annum. The said shares shall rank for dividend in priority to the equity shares for the time being of the Company.
- **Redemption:** At the option of the Board, at any time within twenty years from the date of allotment the said preference shares shall be redeemed at par.
- **Put and call option:** The holder of Preference Shares and the Board/Company has an option to redeem the Preference Shares at any time prior to their maturity provided one month notice showing the intention regarding the redemption of Preference Shares is given.
- **Conversion:** The said preference shares shall be non-convertible.
- **Entitlement in case of winding-up:** The said shares shall in winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding-up, in priority to the equity shares but shall not be entitled to any further participation in profits or assets or surplus fund.
- **Voting rights:** The voting rights of the persons holding the said shares shall be in accordance with the provisions of Section 47 of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force).”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and are hereby authorised to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilization of the issue proceeds towards the Company’s corporate needs as they may deem fit.”



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 the provisions of Section 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration payable to M/s. N. Radhakrishnan & Co., *Cost Accountants*, (Firm Registration No. 000056) appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending 31st March, 2021, 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. 5 and 6 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 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 and other applicable circulars issued by the Securities and Exchange Board of India (SEBI), has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 24th 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.
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. 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, at financeho@reliancejute.com, to the Scrutinizer by email at kothari.navin@yahoo.com with a copy marked to evoting@nsdl.co.in.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020 (both days inclusive).

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

6. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at 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, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to financeho@reliancejute.com.

8. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at www.reliancejute.com, on the website of Stock Exchange i.e. The Calcutta Stock Exchange Limited and on the website of NSDL at www.evoting.nsdl.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:

9. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access the same at <https://www.evoting.nsdl.com> under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members 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. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
10. For convenience of the Members and proper conduct of AGM, Members can login and join at least 30 (thirty) minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM.
11. Members who need assistance before or during the AGM with use of technology, can:
 - Send a request at evoting@nsdl.co.in or use Toll free no.: 1800-222-990; or
 - Contact Mr. Amit Vishal, Senior Manager, NSDL at the designated email ID: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone number +91-99202 64780; or
 - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone number +91-75066 82281.
12. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM. In case any Institutional Members, facing issues for participating in AGM can write to financeho@reliancejute.com.
13. 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.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

15. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at financeho@reliancejute.com. Questions / queries received by the Company till 5.00 p.m. on Sunday, 27th September, 2020 shall only be considered and responded during the AGM.
16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by visiting the link <https://www.evoting.nsdl.com> between 9.00 a.m. on Thursday, 24th September, 2020 and 5.00 p.m. on Sunday, 27th September, 2020.
17. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM

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

18. Pursuant to Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, 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.

19. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Tuesday, 22nd September, 2020**, i.e. the date prior to the commencement of book closure, being the **cut-off date**, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
20. Members may cast their votes on electronic voting system from any place (remote e-voting). The remote e-voting period will commence at **9.00 a.m. on Saturday, 26th September, 2020** and will end at **5.00 p.m. on Monday, 28th September, 2020**. In addition, the facility for voting through electronic 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/>.
21. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com>

How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a Mobile.
- Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password 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.

- (d) Your User ID details are given below :

Manner of holding shares	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 your User ID is 101456001***

- (e) Your password details are given below
- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - 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.

iii. How to retrieve your 'initial password'?

- 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'.
 - If your email ID is not registered, please follow steps mentioned in Note No. 7 above.
- (f) If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
- i. 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.
 - ii. Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

- (a) After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- (b) After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- (c) Select 'EVEN' of Company for which you wish to cast your vote.
- (d) Now you are ready for e-voting as the voting page opens.
- (e) 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.
- (f) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (g) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (h) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for Members for e-voting on the day of the AGM are as under:

- (a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (b) Only those Members, who will be present in the AGM through VC / 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.
- (c) 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.
- (d) For details of the person who may be contacted for any assistance connected with the facility for e-voting on the day of the AGM, please refer Note No. 11 above.

GENERAL INFORMATION:

22. 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 to reset the password.
23. The voting rights shall be as per the number of equity shares held by the Member(s) as on **Tuesday, 22nd September, 2020**, being the **cut-off date**. Members are eligible to cast vote electronically only if they are holding shares as on that date.
24. The Company has appointed Shri Navin Kothari, Practising Company Secretary (FCS 5935 and CP No. 3725), 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
25. 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 and on the website of NSDL.

PROCEDURE FOR INSPECTION OF DOCUMENTS:

26. 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.
27. 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 and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.
28. 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 or contact skcdilip@gmail.com.

OTHERS:

29. 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 Twenty Sixth AGM of the Company. In accordance with the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.
30. In terms of Section 152 of the Act, Smt. Smita Poddar is liable to retire by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
31. Shri Suvendu Kumar Chatterjee, Whole-time Director has been appointed as per the provisions of the Companies Act, 2013 and shall serve in accordance with the terms of contract of employment with the Company.
32. 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 re-appointment at the AGM are provided hereunder. Requisite declarations have been received from the Directors seeking re-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.
33. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and 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 dematerialised form.



34. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to S. K. Infosolutions Private Limited, Registrar and Share Transfer Agent / Secretarial Department of the Company by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque through email at financeho@reliancejute.com. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

Registered Office:
Ideal Plaza, South Block, 4th Floor
11/1, Sarat Bose Road
Kolkata-700020
Dated: 29th August, 2020

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

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

Item No. 3

Shri Suvendu Kumar Chatterjee (DIN: 00518597) was appointed as an Additional Director of the Company with effect from 12th June, 2020 by the Board of Directors under Section 161 of the Act and Article 120 of the Articles of Association of the Company. In terms of Section 161(1) of the Act, Shri Suvendu Kumar Chatterjee holds office only upto the date of the forthcoming Annual General Meeting but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Shri Chatterjee's appointment as a Director. Shri Suvendu Kumar Chatterjee who is associated with the Company as President (Works) is having more than 30 years of his experience in the field of manufacturing and production and who is Jute Technologist and Chartered Engineer. The Directors are of the view that the appointment of Shri Chatterjee as a Director will be beneficial to the Company.

The Board of Directors thus recommends the Resolution at Item No. 3 of this Notice for your approval.

None of the Directors of the Company and/or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Item No. 4:

Shri Suvendu Kumar Chatterjee was appointed by the Board of Directors of the Company as a Whole-time Director of the Company for a period of 2 (two) consecutive years with effect from 12th June, 2020 subject to approval of the Members of the Company at the general meeting. This appointment is liable to determination by retirement of directors by rotation at every Annual General Meeting of the Company. In compliance with the provisions of the Companies Act, 2013 (as amended) (the "Act") and the Rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "Listing Regulations"), Articles of Association and Nomination and Remuneration Policy of the Company, the Board of Directors of the Company (the "Board"), based on the recommendation of Nomination and Remuneration Committee (NRC) and approval of the Audit Committee at their respective meetings held on 12th June, 2020, subject to approval of the Members of the Company, has appointed Shri Chatterjee as a Whole-time Director of the Company, liable to retire by rotation, for a period of 2 (two) consecutive years commencing from 12th June, 2020 upto 12th June, 2022 or till the date of expiry of the tenure of his service with the Company, whichever is earlier. Shri Chatterjee is a Bachelor of Science (B.Sc.), Jute Technologist, D.I.S., F.I.E. (Chartered Engineer) with over 30 years of experience in the field of manufacturing, production planning, etc. Shri Chatterjee has worked with different positions in different Companies and has had an extremely successful and rewarding career. Having worked across and led manufacturing units in different organization during his career, he has gained a wide breadth of experience before his present assignment in the Company.



In terms of the provisions of the Act, Shri Chatterjee has filed requisite consent(s) and disclosures before the Board. The Company has also received an intimation from Shri Chatterjee in Form DIR - 8 to the effect that he is not disqualified and further confirming that he is not 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 as a Director in any company. Necessary information in terms of Regulation 36(3) of the Listing Regulations and SS-2 issued by the ICSI, relating to Shri Chatterjee has been provided as an Annexure hereto and in Report on Corporate Governance forming part of this Annual Report. The Company has received a Notice in writing under Section 160 of the Act from a Member proposing the candidature of Shri Chatterjee, as a Director of the Company. The Company has entered into an Agreement dated 12th June, 2020 with Shri Chatterjee containing the terms and conditions of his appointment including remuneration, authority, rights and obligations of Mr. Chatterjee during his tenure as a Whole-time Director of the Company. The proposed resolution as contained in the Notice provides that the Board will have a liberty to vary the terms and conditions of the appointment and remuneration of Shri Chatterjee as mentioned herein or under the Agreement entered, from time to time, as it may deem fit and necessary and as may be agreed to by and between Shri Chatterjee and the Board.

The Board, on the recommendation of the NRC and approval of the Audit Committee, approved the following remuneration of Shri Chatterjee, subject to approval of the Members:

- (i) **Salary:** The Whole-time Director shall be paid salary of Rs.1,30,000/- (Rupees One Lac Thirty Thousand) only 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 conveyance allowance, medical allowance, leave travel allowance for self and family, ex-gratia, uniform allowance, provision of car and any other perquisite as may be decided by the Chairman from time to time subject to an amount equal to the annual salary.

Provision of Company car for official purpose shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling. Perquisites shall be evaluated as per Income Tax rules, wherever applicable.

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

- (iii) The Whole-time Director will also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration as specified above:
 - (a) The Company's contribution towards Provident Fund as per the rules of the Company but restricted to the extent this is not taxable under the Income Tax Act, 1961.
 - (c) Leave with pay as per rules of the Company.
- (iv) The Whole-time Director shall not be paid any sitting fee for attending the meeting of the Board or any Committee thereof.

The aforesaid remuneration of Shri Chatterjee falls within the ceiling limits as specified under Section 197 and other applicable provisions of the Act and Rules framed thereunder read with Schedule V to the Act. Documents referred to in this Explanatory Statement (including the Agreement relating to appointment of Shri Chatterjee) shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at financeho@reliancejute.com from their registered e-mail addresses mentioning their names and folio numbers/demat account numbers.

Except Shri Chatterjee no other Director or Key Managerial Personnel of the Company, or their relatives, is concerned or interested financially or otherwise, in Resolution No. 4 as contained in the Notice.

Considering the qualifications of Shri Chatterjee, his knowledge of various aspects relating to the Company's affairs and long business experience, expertise, background and understanding of the Company's business, the Board is of the opinion that for smooth and efficient running of the business of the Company, the services of Shri Chatterjee and his continued association would be beneficial in the interests of the Company and it is considered desirable to avail his services as a Whole-time Director of the Company. Further, in terms of General Circular No. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs, the matter regarding appointment of Shri Chatterjee, including fixing his remuneration, is considered unavoidable by the Board. Accordingly, in terms of Sections 2(94), 196, 197, 198 and 203 read with Schedule V to the Act, the appointment of Shri Chatterjee as a Whole-time Director of the Company is now being proposed before the Members of the Company for their approval.

The Board recommends the Resolution No. 4 as an Ordinary Resolution for approval by the Members of the Company.

Item No. 5
Company's fund requirements:

In order to improve the workings of the company and also to meet the working capital requirements for achieving the production targets, it is proposed to raise funds through preferential allotment of Redeemable Cumulative Preference Shares to the Promoter(s) of the Company, in one or more tranches, as may be decided by the Board or Committee thereof.

Increase in Authorised Share Capital:

In light of the above, it is proposed to increase the Authorised Share Capital of the Company from the existing Rs. 13,01,00,000/- (Rupees Thirteen Crores One Lac) only divided into 30,10,000 (Thirty Lacs Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each and 10,00,000 (Ten Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each to Rs. 18,01,00,000/- (Rupees Eighteen Crores One Lac) only divided into 30,10,000 (Thirty Lacs Ten Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each and 15,00,000 (Fifteen Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each, by creation of additional 5,00,000 (Five Lacs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each, as indicated in the Resolution at **Item No. 5** of the Notice. Consequently, it is proposed to make appropriate alterations in the Memorandum and Articles of Association of the Company to reflect the changes in the Authorised Share Capital of the Company.

The proposed Resolutions are in the interest of the Company and your Directors commend Resolutions at **Item No. 5** for your approval.

None of the Directors and the Key Managerial Personnel of the Company including their relatives is concerned or interested in aforesaid Resolutions.

Item No. 6

In order to meet the fund requirement of the Company it is proposed to raise the funds by issue of Redeemable Cumulative Preference Shares. The Preference Shares may be issued in one or more tranches to various entities/persons which may include Promoter/Promoter Group and Associates whether or not they are Member(s) of the Company on private placement basis.

DISCLOSURE AS PER CLAUSE 9(3) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURE) RULES, 2014:

- | | | | |
|-----|---|---|--|
| (a) | Size of the issue and number of Preference Shares to be issued and nominal value of each share | : | 10,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each to be issued at such rate not exceeding Rs.100/- per share for an amount not exceeding Rs.10,00,00,000/- to various entities / persons including Promoter/Promoter Group / Associates whether or not they are Members of the Company. |
| (b) | Nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible | : | Cumulative, non-participating and non-convertible. |
| (c) | Objective of the issue | : | To meet the working capital requirements, indebtedness and for other approved general corporate objectives from time to time. |
| (d) | Manner of issue | : | Private placement. |
| (e) | Price at such shares are proposed to be issued | : | As per Resolutions. |
| (f) | Basis on which the price has been arrived at | : | Price determined on the basis of valuation by a registered valuer in accordance with the extant provisions as applicable. |

- (g) Terms of issue, including terms and rate of dividend on each share, premium, etc. : As per Resolutions.
- (h) Terms of redemption, including the tenure of redemption, redemption of shares at premium and if the Preference Shares are convertible, the terms of conversion : As per Resolutions.
- (i) Manner and modes of redemption : Out of profit and/or out of fresh issue of capital.
- (j) Current shareholding pattern of the Company : Equity Shareholding Pattern as on 31st March, 2020:

Category	No. of Shares	% to Equity Capital
Promoter	19,40,878	74.95
Public	6,48,612	25.05
Total	25,89,490	100.00

*Detailed shareholding pattern as on 31st March, 2020 is available on website of the Company i.e. on www.reliancejute.com and also on the website of The Calcutta Stock Exchange Limited

- (k) Expected dilution in equity shares capital upon conversion of preference shares : Not applicable.

The Directors may be deemed to be concerned to the extent of Redeemable Cumulative Preference Shares that will be offered to them and applied for and allotted to them.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 7

The Board of Directors, on recommendation of the Audit Committee, has approved the appointment of M/s. N. Radhakrishnan & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost accounts and cost records maintained by the Company in respect of its products for the financial year ended 31st March, 2021.

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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended 31st March, 2021.

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 Resolution set out at Item No. 7 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.

Additional information about the appointment/re-appointment of Directors pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards of General Meeting (information as on date of the Notice)

Name of the Directors	Smt. Smita Poddar	Shri Suwendu Kumar Chatterjee
Date of Birth	18.06.1964	22.01.1955
Date of First Appointment (appointment as an Additional Director on the Board)	30.03.2015	12.06.2020
Date of last re-appointment	25.09.2018, Re-appointed after retiring by rotation.	12.06.2020, Appointed as an Additional Director by the Board of Directors at its meeting held on 12 th June, 2020.
Qualification(s)	B.Sc., MBA(USA)	B.Sc., Jute Tech., D.I.S., FIE (Chartered Engineer)
Relationship with other Directors, Manager and Key Managerial Personnel	Daughter of Shri Pawan Kumar Kanoria, Executive Chairman	None
Expertise in specific functional areas	Smt. Smita Poddar is a Foreign National and she has wide experience of business.	Shri Chatterjee has over 30 years of experience in the field of manufacturing, production planning, etc.
Shares held in the Company as on the date of Notice	Nil	Nil
Directorships held in other Companies* excluding foreign Companies *Only equity listed companies are considered	Nil	Nil
Membership of Committee in other listed companies* (*Only Audit Committee and Stakeholders' Relationship Committee memberships in equity listed companies have been considered)	Nil	Nil
Remuneration last drawn for the financial year ended 31st March, 2020 (including sitting fees)	Rs. 18,000/- (Rupees Eighteen Thousand) only.	Not applicable.
Remuneration sought to be paid	Sitting fees.	As per appointment letter.
Terms and conditions of appointment.	As per appointment letter.	As per appointment letter.

Registered Office:
Ideal Plaza, South Block, 4th Floor
11/1, Sarat Bose Road
Kolkata-700020
Dated: 29th August, 2020

By Order of the Board
For Reliance Jute Mills (International) Ltd.
S. K. Agarwal
President (Finance) &
Company Secretary
Membership No. 12790

BOARD'S REPORT TO THE MEMBERS

Dear Members,

Your Directors have pleasure in presenting the 24th Annual Report covering the operational and financial performance of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2020.

FINANCIAL SUMMARY

(Amount in Rs. '000)

Particulars	For the year ended 31 st March, 2020	For the year ended 31 st March, 2019
Revenue from operations	18,90,769	21,81,993
Other Income	1,160	72,636
Total	18,91,929	22,54,629
Profit/(Loss) before Taxation	(64,664)	(1,80,247)
Provision for Taxation	18	383
Net Profit/(Loss)	(64,682)	(1,80,630)
Other Comprehensive Income / (Loss) (net of tax)	(5,666)	(7,526)
Total Comprehensive Income / (Loss)	(70,348)	(1,88,156)

Your Company has prepared the Financial Statements for the year ended 31st March, 2020 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.

SHARE CAPITAL

The Authorised Share Capital of the Company as on 31st March, 2020 stood at Rs.13,01,00,000 divided into 30,10,000 equity shares of Rs.10 each and 10,00,000 6% Redeemable Cumulative Preference Shares of Rs.100 each. The Issued, Subscribed and Paid-up Share Capital of the Company is Rs.7,58,94,900 divided into 25,89,490 equity shares of Rs. 10 each and 5,00,000 6% Redeemable Cumulative Preference Shares of Rs.100 each.

OPERATIONS AND STATE OF COMPANY'S AFFAIRS

Performance of the company during the year under review was unsatisfactory. The period of April, 2019 was full of difficulties and the Mill reopened after nearly so many days which resulted in lower production in this month. There were general election in May, 2019 and also an election of Bhatpara constituency in West Bengal. All these resulted in frequent commotion and riots in Bhatpara and nearby areas. As a result during the period Mill had run partially. In July 2019 also three shifts could not be run for half of the month. Further, due to labour trouble, the operation had been suspended from 8th January, 2020 to 5th February, 2020. A complete lockdown was announced from 24th March, 2020 due to Covid-19 which adversely affected working during the current year also. The operation at the Mill started from 19th May, 2020.

Covid-19 spread its wings in India since February, 2020 and the Government had to announce complete lock down from 23rd March, 2020 and asked people to stay at home. Global threat from Covid-19 is continuing to grow. Lockdowns due to corona virus have driven professional and social life out of the physical world and into the virtual realm. The economic fallout of this is still difficult to assess as the situation is still evolving. However, your company is striving to survive focusing on health and hygiene of its employees and is also working on various cost optimization measures.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
a) Industry structure and developments:

Jute, a natural fibre, is a precious gift of Mother Nature to the mankind. For last thousands of years, it has been used by human society as a packaging material not only in India but also in many countries abroad. In the 1970s and 80s, when plastics, cardboard etc. emerged as alternate packaging materials which were not only cheaper but were very convenient to use, the demand for jute packaging started going down. But with the emergence of strong environmental concerns against the non biodegradability and high toxicity of plastic etc. Jute demand started picking up. During that period, it was seen that due to environmental concerns lot of countries are looking to cut down the use of single-use plastic and are also banning plastics in their countries. More and more countries are joining this campaign. But India already has a sustainable substitute that cannot be ignored anymore-the "golden fibre" known as jute.

In our country, due to the growing environmental concerns, state and central government started making laws and banning the use of certain kinds of non degradable plastics. The Ministry of Textiles, the Government of India has prescribed that 100% of the packaging materials should be jute and not plastics. By now most of the State Governments have banned the use of plastics. This has given a boost to the demand of jute by the jute industry.

In recent time, the jute industry is facing problems of shortage of labour. Inflow of labour from neighbouring states is gradually diminishing due to availability of alternate opportunities elsewhere. Moreover, inclination of modern generation is growing towards other sector resulting in shortage of workers in jute industry.

Global outburst of Covid-19 has casted shadows on the development of the jute industries as due to lock down announced by the Govt. over a period of two months, all jute mills remained closed and Government gave relaxation to plastics industries by allowing plastics bags for packaging of food grains. Such decision of the Government will adversely affect jute industries until the Government withdraws its decision.

b) Opportunity and Threats /Risks and Concerns

Because of stiff competition from plastic and other cheaper materials which emerged for packaging on large scale, jute suffered a decline in demand and accordingly the production of jute and jute goods declined. But with an era of environmental awareness emerging, Jute bounced back again due to its environment friendly and bio-degradable qualities. Jute has been facing ups and downs in the last few decades but it has all the potentials of becoming the sustainable golden fibre of the future.

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

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

- ✓ Frequent revision of JPMA guidelines (to add or dilute items for jute packing) leaves the industry in confusion whether to invest further on the Jute Technology development/product development/market expansion or wait for new policies etc.
- ✓ Cut throat competition from Bangladesh in export market which continues to enjoy benefits in the form of lower costs and government subsidies.
- ✓ Increase in wage cost without linking to productivity which constitutes high proportion of production costs in a labour intensive industry.
- ✓ Shortage of workers resulting in lower capacity utilization in the Mills.
- ✓ Shortage of raw jute due to poor crop.

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 season seems to be poor than previous year due to unpredictable behavior of monsoon the country has witnessed recently. Therefore, the raw jute prices are expected to remain on higher side than the previous year. Laboures are not available adequately resulting into lower capacity utilization in many jute mills. The demand of raw jute will also be affected.

Demand for packaging of food grain will continue to be normal. Only concern is the time limit under which Covid-19 pandemic will come into control.

e) Internal control system and their adequacy

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

f) Discussion on Financial Performance with respect to Operational Performance

During the year under review, overall performance of the Company was worse than previous year due to low labour productivity coupled with lock down declared by the Government due to Covid-19 pandemic in the last month of the fourth quarter of the financial year.

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

Industrial relations remained more or less cordial during the year under review except during some part of the year when the management was forced to declare suspension of work due to sudden stoppage of work and illegal strike by workers of the Company.

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

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. 31st March, 2020 and the date of this Report..

CREDIT RATING

During the year under review, CARE Ratings Ltd. has reaffirmed the Credit Rating BB⁺ (CARE A4) for Fund Based and Non-fund based Credit Facilities of the Company.

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 31st March, 2020.

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) was appointed as the Executive Chairman of the Company for a further period of 5 (five) years with effect from 1st April, 2017 and his present term will be completed on 31st 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 1st January, 2019 the present term of his appointment as Managing Director and CEO will be completed on 31st December, 2023.

Whole-Time Director

Shri Vijendra Kumar Chaukhani, (holding DIN: 00309895) who was re-appointed as Whole-time Director of the Company for a period of 2 years with effect from 1st August, 2018 and whose period of office was liable to determination by retirement of directors by rotation, resigned from the directorship and ceased to be director of the company with effect from 12th June, 2020. The Board expressed its appreciation for the long term services rendered by Shri Chaukhani to the Company during his tenure of association.

Shri Suvendu Kumar Chatterjee, (holding DIN:00518597) has been appointed as Whole-time Director of the Company for a period of 2 years with effect from 12th June, 2020 and whose period of office is liable to determination by retirement of directors by rotation.

Non-Executive Director

Smt. Smita Poddar (holding DIN: 01204391), Non-Executive Woman Director whose period of office is liable to determination by retirement of directors by rotation.

Smt. Smita Poddar (holding DIN: 01204391), retires from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. Your Board recommends re-appointment of Smt. Smita Poddar as a Director of the Company, liable to retire by rotation

Necessary Resolution(s) alongwith disclosure(s)/information(s) in respect of the directors seeking appointment/re-appointment at the ensuing AGM are being given in the Notice convening the ensuing AGM.

Statement of Declarations Given by Independent Directors

Dr. Pranab Kumar Mookerjee, Shri Pradeep Kumar Jain, Shri Piyush 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;

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;
- (b) 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;
- (c) the Directors have prepared the annual accounts on a going concern basis;
- (d) 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
- (e) 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 6 (six) 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 Suvendu Kumar Chatterjee (DIN:00518597), Whole-time Director and Shri Shiv Kumar Agarwal, President (Finance) & Company Secretary, Compliance Officer and CFO are the Key Managerial Personnel (KMP) of your Company.

Shri Vijendra Kumar Chaukhani (DIN: 00309895), Whole-time Director has resigned from the directorship of the Company and his resignation has been accepted by the Board of Directors of the Company with effect from 12th June, 2020. Shri Suvendu Kumar Chatterjee (DIN:00518597) was appointed as Whole-time Director of the Company with effect from 12th June, 2020.

CORPORATE GOVERNANCE

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

AUDIT AND AUDITORS

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

Your Company has received a certificate from M/s. J K V S & Co., (ICAI Firm Registration No. 318086E), *Chartered Accountants*, confirming their eligibility to continue as the Auditors of the Company in terms of the provisions of the Companies Act, 2013 and the Rules framed thereunder and also a copy of the certificate issued by the Peer Review Board (ICAI) as required under Regulation 33 of the Listing Regulations.

SECRETARIAL AUDITOR

In terms of the provisions of Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company at its meeting held on 31st July, 2020 appointed M/s. N. K. & Associates, *Company Secretaries*, as the Secretarial Auditor of the Company to conduct the Secretarial Audit for the financial year ended 31st March, 2021 and to submit Secretarial Audit Report in Form No. MR-3.

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

There are no qualifications, reservations or adverse remarks made by M/s. J K V S & Co., Statutory Auditors in their report for the financial year ended 31st March, 2020. Pursuant to the provisions of Section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

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

COST AUDITORS

In terms of Section 148(3) of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, on the recommendation of Audit Committee the Board of Directors has appointed M/s N. Radhakrishnan & Co., Cost Accountants (Registration No. 000056), being eligible and having sought re-appointment, as Cost Auditor of the Company, for a remuneration of Rs. 30,000/- plus applicable taxes and re-imbursment of out of pocket expenses incurred by them to conduct an audit of the cost accounting records maintained by the Company for the current financial year beginning from 1st April, 2020 and ending on 31st March 2021 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 31st March, 2019 with the Central Government was 30th September, 2019 and the said report was filed by the Cost Auditor within the due date.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT-9 of the Company as on 31st March, 2020 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 pursuant to Notification No. G.S.R. 538(E) dated 28th August, 2020 and not attached to the Board's Report.

SIGNIFICANT AND MATERIAL LITIGATIONS/ORDERS

During the year under review, an award has been passed by the Arbitrator in favour of the Company in the matter of outstanding insurance claim against The Oriental Insurance Company Limited in respect of the fire broke out on 2nd September, 2014 which has significant impact on the future operations of your Company and except this award there were no significant material orders passed by the Regulators/Courts and no litigation was outstanding as on 31st March, 2020, which would impact the going concern status and future operations of your Company. The details of litigation on tax matters are disclosed in the Auditor's Report and Financial Statements which forms part of this Annual Report.

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.11 to the Financial Statements for the year ended 31st March, 2020, 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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year ended 31st March, 2020, 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 2019-20 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.

CAUTIONARY STATEMENT

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

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, the 29th day of August, 2020

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

2. Dated of Report

The information provided in this Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2020. 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 8 (eight) Directors of which there are four Non-Executive Independent Directors, one is Executive Director belonging to promoter group (Executive Chairman), one Executive Director (Managing Director & CEO) and one Executive Director (Whole-time Director) and one Non-Executive Woman Director belonging to promoter group and one Alternate Woman Director in place of Non-Executive Woman Director belonging to promoter group.

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

b. Details of Directors

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

Shri Sanjay Hada, was re-appointed as Managing Director of the Company for a period of 5(five) years with effect from 1st January, 2019. The present term of his appointment as Managing Director and CEO will be completed on 31st 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 Vijendra Kumar Chaukhani who was re-appointed as Whole-time Director of the Company for a period of 2(two) years with effect from 1st August, 2018, resigned from the directorship of the Company and his resignation was accepted by the Board of Directors with effect from 12th June, 2020 taking on record his valuable services for long period of his association with the Company.

Shri Suvendu Kumar Chatterjee was appointed by the Board of Directors of the Company at its meeting held on 12th June, 2020 as an Additional Director in the category of Executive Director designated as Whole-time Director. He holds his office upto the forthcoming Annual General Meeting. His re-appointment proposal has been incorporated in the item of agenda of the notice convening the Annual General Meeting.

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 24th 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 31st March, 2020 following shares of the Company were held by Directors and Key Managerial Personnel of the Company:

Name	Designation	No. of shares held as on 31.03.2020
Shri Pawan Kumar Kanoria	Executive Chairman	8,15,566
Smt. Smita Poddar	Non-Executive Director	-
Dr. Pranab Kumar Mookerjee	Independent Director	1,126
Shri Vijendra Kumar Chaukhani*	Whole-time Director	20
Shri Shiv Kumar Agarwal	President (Finance) & Company Secretary	50

*Resigned w.e.f. 12th June, 2020.

e. Board Meetings, Annual General Meeting and Attendance

During the financial year ended 31st March, 2020, six Board Meetings were held on 24th April, 2019, 14th May, 2019, 13th August, 2019, 24th September, 2019, 13th November, 2019 and 14th February, 2020.

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 9th March, 2020 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 24.09.2019
	Held	Attended		
Shri Pawan Kumar Kanoria	6	6	Nil	Yes
Shri Sanjay Hada	6	6	Nil	Yes
Smt. Smita Poddar with Alt. Dir.	6	6	18,000	No
Shri Vijendra Kumar Chaukhani	6	6	Nil	Yes
Dr. Pranab Kumar Mookerjee	6	5	15,000	Yes
Shri Pradeep Kumar Jain	6	5	15,000	Yes
Shri Piyush Bhartia	6	5	15,000	Yes
Shri Rohit Banka	6	6	18,000	Yes.

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

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	3	1. Uma Properties & Traders Limited
Shri Vijendra Kumar Chaukhani **	1	–
Shri Suwendu Kumar Chatterjee***	1	–
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	–

*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 to be Director w.e.f. 12th June, 2020.

***Appointed w.e.f. 12th June, 2020.

- 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. 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 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 Shri Suwendu Kumar Chatterjee
2.	Finance and Accounts	Shri Pawan Kumar Kanoria Shri Sanjay Hada Dr. Pranab Kumar Mookerjee Shri Pradeep Kumar Jain Shri Piyush Bhartia Shri Rohit Banka
3.	Sales and Marketing	Shri Pawan Kumar Kanoria Shri Sanjay Hada Smt. Sonal Hada
4.	Business Strategy, Planning and Risk Management	Shri Pawan Kumar Kanoria Shri Sanjay Hada Smt. Smita Poddar
5.	Regulatory Compliance, Governance and Stakeholders Management	Shri Pawan Kumar Kanoria Dr. Pranab Kumar Mookerjee Shri Pradeep Kumar Jain Shri Piyush Bhartia 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
Shri Sanjay Hada	Member	Executive Director
Dr. Pranab Kumar Mookerjee	Member	Independent Director
Shri Piyush Bhartia	Member	Independent Director
Shri Rohit Banka*	Member	Independent Director

*Shri Rohit Banka was appointed member of the Audit Committee w.e.f. 24th April, 2019.

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

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 24th April, 2019, 14th May, 2019, 13th August, 2019, 13th November, 2019 and 14th February, 2020. 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	4	4,000
Shri Sanjay Hada	5	5	-
Dr. Pranab Kumar Mookerjee	5	4	4,000
Shri Piyush Bhartia	5	4	4,000
Shri Rohit Banka*	5	4	4,000

*Shri Rohit Banka was appointed as the member of the Audit Committee w.e.f. 24th April, 2019.

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

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	Member	Independent Director
Dr. Pranab Kumar Mookerjee	Member	Independent Director
Shri Piyush Bhartia	Member	Independent Director
Shri Rohit Banka*	Member	Independent Director

*Shri Rohit Banka was appointed as the member of the Nomination and Remuneration Committee with effect from 14th February, 2020.

Terms of Reference

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Board of Directors.

b) Attendance

During the financial year ended 31st March, 2020, one meeting of the Nomination and Remuneration Committee was held on 13th August, 2019.

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

*Members waived their sitting fees for this meeting.

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.

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 the months 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 31st March, 2020.

6. 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 31st March, 2020 is given below:

Name of Directors	Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)
Dr. Pranab Kumar Mookerjee	19,000	–	19,000
Shri Pradeep Kumar Jain	19,000	–	19,000
Shri Piyush Bhartia	19,000	–	19,000
Smt. Smita Poddar with Alt. Dir.	18,000	–	18,000
Shri Rohit Banka	22,000	–	22,000

- c) **Details of remuneration paid to Executive Directors**

Particulars	Shri P. K. Kanoria (Rs.)	Shri S. Hada (Rs.)	Shri V. K. Chaudhani (Rs.)
Salary and Allowances	66,70,968	70,45,161	21,34,191
Cont. to Provident Fund	6,67,097	7,04,516	1,53,457
Cont. to Superannuation Fund	1,50,000	1,50,000	1,00,000
Total	74,88,065	78,99,677	23,87,648

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 Dr. Pranab Kumar Mookerjee 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.

7. Constitution of Stakeholders Relationship Committee
a) Composition

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

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

*Ceased with effect from 12th June, 2020 by virtue of resignation from the directorship of the Company.

#Appointed as the member with effect from 13th August, 2019.

b) Meetings and attendance

During the financial year 4 (four) meetings of Stakeholders Relationship Committee were held on 14th May, 2019, 13th August, 2019, 13th November, 2019 and 14th February, 2020. 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	3	-
Shri Vijendra Kumar Chaukhani*	4	4	-
Shri Pradeep Kumar Jain	4	3	-
Shri Piyush Bhartia	4	3	-
Shri Rohit Banka#	4	2	-

*Ceased with effect from 12th June, 2020 by virtue of resignation from the directorship of the Company.

#Appointed as the member with effect from 13th August, 2019.

Shri Shiv Kumar Agarwal, President (Finance) & Company Secretary acts as the Secretary of the meeting.

Dr. Pranab Kumar Mookerjee, Chairman of the Committee was present at the 23rd Annual General Meeting of the Company held on 24th September, 2019.

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 and his contact details are as given below:

Shri Shiv Kumar Agarwal
President (Finance) & Company Secretary
Reliance Jute Mills (International) Ltd.
Ideal Plaza, South Block, 4th Floor
11/1, Sarat Bose Road
Kolkata-700 020
Tel. No. : (033) 2280 7017/18, Dir.: 8420118850
Fax No.: (033) 2280 7016
E-mail : financeho@reliancejute.com

e) **Pledge of shares:**

No pledge of shares has been created over the Equity Shares held by the Promoters as on 31st March, 2020.

f) **Details of complaints from shareholders**

No. of complaints remaining unresolved as on 1 st April, 2019	Nil
No. of complaints received during the year	Nil
No. of complaints resolved during the year	Nil
No. of complaints unresolved as on 31 st March, 2020	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 5th 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	Date	Time	Venue	No. of Special Resolutions passed
21 st	31.03.2017	14.09.2017	4.00 PM	Keshari Devi Kanoria Hall, 123, Dr. Meghnad Saha Sarani (Southern Avenue), Kolkata-700 029	Nil
22 nd	31.03.2018	25.09.2018	4.00 PM	Rotary Sadan, S. S. Hall 94/2, Chowringhee Road Kolkata-700 020	6
23 rd	31.03.2019	24.09.2019	4.00 PM	Sitaram Seksaria Auditorium of Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, 4 th Floor, Kolkata-700017	Nil

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

At the Annual General Meeting held on 25th September, 2018, 6(six) Special Resolutions were passed. One Special Resolution was passed for appointment of Shri Sanjay Hada as Managing Director & CEO of the Company for a period of 5(five) years with effect from 1st January, 2020. One Special Resolution was passed for appointment of Shri Vijendra Kumar Chaukhani as Whole-time Director of the Company for a period of 2(two) years with effect from 1st August, 2018. Three Special Resolutions were passed for appointment of Dr. Pranab Kumar Mookerjee, Shri Pradeep Kumar Jain and Shri Piyush Bhartiya as Independent Directors of the Company for a period of 5(five) years with effect from 1st April, 2020. One Special Resolution was passed authorizing the Board of Directors of the Company to sell, lease or otherwise dispose of the assets of the Company.

No Special Resolution was passed at the Annual General Meeting held on 24th September, 2019.

No Extra-ordinary General Meeting (EGM) was held by the Company during the financial year ended 31st March, 2020.

b) Postal Ballot

During the year under review, two Special Resolutions under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 were passed through conducting Postal Ballot under Section 110 of the Companies Act, 2013 and Rules framed thereunder. The result of the Postal Ballot was declared on 8th June, 2019.

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. 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

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. The shareholding patterns are also displayed on the company's website on quarterly basis.



b) Shareholders communication including Notices and Annual Reports are being sent to the E-mail address of Members available with the Company and the Depositories. Annual Accounts are sent to Members at least 25 days before the date of Annual General Meeting.

c) The Company's website www.reliancejute.com makes online announcement of Board meeting dates, results of the meetings, quarterly financial results, announcement of the date of Annual General Meeting, changes in Directors and other announcements. Copies of Notices and Annual Reports sent to Shareholders are also available on the website.

d) Address for Communication

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

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

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

12. General Shareholders Information:

a) AGM: Date, Time and Venue	:	29 th September, 2020 at 4.00 P. M. through 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 st April to 31 st March.
Financial Calendar for Financial Year 2020-21 1 st Quarter Financial Results 2 nd Quarter Financial Results 3 rd Quarter Financial Results 4 th Quarter Financial Results		By end of August 2020 By mid-November 2020 By mid February 2021 By end of May 2021
c) Date of Book Closure	:	From 23 rd September, 2020 to 29 th September, 2020 (both days inclusive).
d) Dividend payment date	:	No dividend was recommended for declaration for the year ended 31 st March, 2020.
e) Listing of Securities	:	The Calcutta Stock Exchange Ltd. 7, Lyons Range Kolkata-700 001 Annual Listing Fee has been paid within extended time limit by Stock Exchange due to the Covid-19 pandemic situation and lockdown measures across the country and all requirements of the Stock Exchange where the shares of the Company are listed, including submission of quarterly reports and certificates particularly pertaining to the last quarter of the financial year were complied with delayed due to above reason.



f) Stock Code-Physical Demat ISIN Number for NSDL & CDSL	:	28387 at The Calcutta Stock Exchange Ltd. INE297E01016
g) Market Price Data (High / Low during each month in 2019-20)	:	Information has been given at the end of Clause 12
h) Stock performance of the Company in comparison to CSE Sensex. (April, 2019 to March, 2020)	:	Such information is not available with the CSE.
i) Registrar and Share Transfer Agent	:	M/s. S. K. Infosolutions Pvt. Ltd. 34/1A, Sudhir Chatterjee Street Kolkata-700 006 Tel. No. (033) 2219 6797 Fax No. (033) 2219 4815 E-mail: skcdilip@gmail.com
j) Share Transfer System	:	Information has been given at the end of Clause 12
k) Distribution of Shareholding as on 31 st March, 2020	:	Information has been given at the end of Clause 12
l) Dematerialization of shares and liquidity	:	As on 31 st March, 2020, 90.65% of the Company's paid-up share capital representing 23,47,397 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) Ltd. CIN: L17125WB1996PLC081382 "VNSS" Business Centre Ideal Plaza, South Block, 4 th Floor 11/1, Sarat Bose Road Kolkata-700 020 Phone: (033) 2280 7017/18 Fax: (033) 2280 7016 E-mail: financeho@reliancejute.com Website: www.reliancejute.com

Information in respect of clause 12(g)

During the financial year ended 31st March, 2020, 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, M/s S. K. Infosolutions Pvt. Ltd. on regular basis. The transfer/transmission of shares is approved in accordance with the powers delegated by the Board of Directors to the Chairman, Managing Director & CEO, Whole-time Director and President (Finance) & Company Secretary.

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

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

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 31st March, 2020:

Category (No. of shares)	No. of shareholders	Percentage	No. of Shares	Percentage
Upto 500	1492	92.47	163746	6.32
501 – 1000	78	4.81	54858	2.12
1001 – 2000	23	1.42	29964	1.16
2001 – 3000	10	0.62	25352	0.97
3001 – 4000	3	0.19	10588	0.41
4001 – 5000	1	0.06	4582	0.18
5001 – 10000	–	–	–	–
10001 – 50000	–	–	–	–
50001 - 100000	2	0.12	123522	4.77
100001 & above	5	0.31	2176878	84.07
Total	1614	100.00	2589490	100.00

(b) Shareholding Pattern as on 31st March, 2020:

Category	No. of Shares	Percentage
Promoter/ Promoter Group	19,40,878	74.95
Financial Institutions/Banks	7,012	0.27
Other Corporate Bodies	3,16,912	12.24
General Public	3,18,922	12.32
Non-Resident Individuals	5,766	0.22
Total	25,89,490	100.00

13. CEO/CFO Certification

Shri Sanjay Hada, Managing Director & CEO and Shri Shiv Kumar Agarwal, Company Secretary & 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. 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. A certificate to this effect obtained from Shri Navin Kothari of M/s. N. K. & Associates, Company Secretaries (FCS No. 5935, CP No. 3725) of the Company, has been attached to this Annual Report.

**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 31st March, 2020, 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 31st March, 2020 as included in this Annual Report.

- (b) There were no instances of non-compliances related to capital markets during the last years. 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. 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:
- i) The Chairman does not maintain any office at the expense of the Company;
 - ii) 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;
 - iii) The Company's Financial Statements have been accompanied with unmodified audit opinion - both on quarterly and yearly basis;
 - iv) The Chairman, Managing Director & Chief Executive Officer (CEO) of the Company are two different individuals; and
 - v) 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.

(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/2018/000000141 dated 15th November, 2018 are 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/2018/000000141 dated 15th 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.47 to the Notes to the Financial Statements for the year ended 31st March, 2020.

- (h) No funds were raised by the Company through preferential allotment or qualified institutions placement.
- (i) A certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority, has been received from Shri Naveen Kothari of M/s. N. K. & Associates, Company Secretaries and the same is annexed to this Report.



- (j) During the financial year ended 31st March, 2020, the Board has accepted all the recommendations of its Committees.
- (k) 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 2019-20 alongwith their status of redressal as on 31st March, 2020 are as under:

No. of complaints filed during the financial year 2019-20	Nil
No. of complaints disposed of during the financial year 2019-20	Nil
No. of complaints pending redressal as on 31 st March, 2020	Nil

- (l) 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.

For and on behalf of the Board

P. K. KANORIA

Chairman

(DIN:00305297)

Ideal Plaza, 11/1, Sarat Bose Road
Kolkata, Dated: 29th August, 2020

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

I hereby declare that pursuant to Schedule V(D) read with Regulation 34(3) of the Listing Regulations, all the Board Members and Key Managerial Personnel (including Senior Management Personnel) of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2020.

Ideal Plaza,
11/1, Sarat Bose Road,
Kolkata, the 31st July, 2020

For and on behalf of the Board

S. HADA

Managing Director & CEO

DIN:00305476

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

To
The Board of Directors
Reliance Jute Mills (International) Ltd.

We, Sanjay Hada, Managing Director & CEO and Shiv Kumar Agarwal, Company Secretary & CFO of Reliance Jute Mills (International) Ltd. ('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 31st March, 2020 and based on our knowledge and belief, we state that
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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 –
- there have not been any significant changes in internal control over financial reporting during the financial year ended 31st March, 2020;
 - there have not been any significant changes in accounting policies during the financial year ended 31st March, 2020 requiring disclosure in the notes to the financial statements.
 - 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: 31st July, 2020

S. HADA
Managing Director & CEO

S. K. AGARWAL
Company Secretary & CFO

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
RELIANCE JUTE MILLS (INTERNATIONAL) LTD.
Ideal Plaza, South Block, 4th Floor
11/1, Sarat Bose Road
Kolkata-700020

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Reliance Jute Mills (International) Ltd.** having CIN: L17125WB1996PLC081382 and having its registered office at **Ideal Plaza, South Block, 4th Floor, 11/1, Sarat Bose Road, Kolkata-700020** (hereinafter referred to as 'the Company'), produced before us by the Company, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the financial year ending 31st March, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Pranab Kumar Mookerjee	00110648	22.01.2000
2.	Mr. Piyush Bhartia	00154138	31.07.2007
3.	Mr. Pawan Kumar Kanoria	00305297	18.09.1996
4.	Mrs. Sonal Hada	00305420	20.06.2018
5.	Mr. Sanjay Hada	00305476	01.01.1999
6.	Mr. Pradeep Kumar Jain	00372338	18.08.2004
7.	Mrs. Smita Poddar	01204391	30.03.2015
8.	Mr. Rohit Banka	07521288	11.12.2017
9.	Mr. Vijendra Kumar Chaukhani	00309895	14.03.2012

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For N. K. & Associates
Company Secretaries
(Navin Kothari)

Proprietor

FCS No.5935, C. P. No.3725

UDIN : F005935B000580872

Kolkata
Dated the 14th August, 2020

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

**To
The Members of Reliance Jute Mills (International) Ltd.**

We have examined the compliance of conditions of corporate governance by Reliance Jute Mills (International) Limited, (the Company) for the year ended 31st March, 2020, as stipulated in Regulations 17 to 27 and Clauses 17 to 27 and Clause (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned provisions of the Listing Regulations during the year ended 31st March, 2020.

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

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

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may be suitable for any other purpose.

For and on behalf of N. K. & Associates
Company Secretaries
(Navin Kothari)
Proprietor
FCS No.5935, C. P. No.3725
UDIN:F005935B000594952

Kolkata
Dated the 19th August, 2020.

MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020

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

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

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, 2020 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, 2020 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018: Not applicable to the Company during the Audit Period;
 - e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: Not applicable to the Company during the Audit Period;
 - f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable to the Company during the Audit Period;

- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013: Not applicable to the Company during the Audit Period;
- h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: 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;

We have also examined compliance with the applicable clauses/regulations of the following:

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

During the period under review the Company has filed few Forms with additional fees.

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.

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

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

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 : F005935B000610055

Place: Kolkata
Dated: 24th day of August, 2020

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

Our observations on Secretarial Audit for the financial year ended 31st March, 2020 are as follows:

- a) There was delay in filing the statement for the December quarter under Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) There was delay in submission of the compliance report on corporate governance for all the quarters under Regulation 27(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c) There was delay in submission of the statement showing holding of securities and shareholding pattern for the December quarter under Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) There was delay in submission of the quarterly and year-to-date standalone financial results for the June and December quarter under Regulation 33(3)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e) There was delay in intimation of the proceedings of the annual general meeting under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) There was delay in intimation of the outcome of meetings of the board of directors held to consider the financial results for all the quarters under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- g) The compliance under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was not done.
- h) There was delay in submission of the copy of annual report along with the notice of the annual general meeting to the stock exchange under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- i) There was delay in submission of the voting results of the annual general meeting under Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- j) The closure of trading window was not complied as per Clause 4 of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- k) The compliance under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 was not done for all the quarters.

To,
The Members
Reliance Jute Mills (International) Limited
Ideal Plaza, South Block, 4th Floor,
11/1, Sarat Bose Road,
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 : F005935B000610055

Place: Kolkata
Dated: 24th day of August, 2020

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 31st March, 2020 are as follows:

Name of Related Party and Nature of relationship	Nature of contracts/arrangements/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 st March, 2020, if any	Transaction Amount (Rs.'000)
Shri Pawan Kumar Kanoria-KMP & M/s. Pawan Kumar Kanoria (HUF)	Loan taken Interest paid	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.	No advance was paid for any transaction noted above.	23,700 902
Smt. Smita Poddar-KMP	Rent payment Security Deposit	On going				672 3,000
Smt. Usha Kanoria-Relative of KMP	Loan taken Interest paid	On going				17,000
Smt. Vinita Ahmed-Relative of KMP	Rent payment Security Deposit	On going				504 2,250
Smt. Sonal Hada-Relative of KMP	Loan taken Interest paid	On going				30,000 1301
Smt. Ashima Jain-Relative of KMP	Rent payment Security Deposit	On going				504 1,250
Shri Vihaan Hada-Relative of KMP	Loan taken Interest paid Remuneration	On going				7,300 117 120
Excellent Dealers LLP-KMP & Relatives of KMP exercise control/significant influence over it	Service acquired Rent Payment	On going				144 48
Vanila Tracom LLP-KMP & Relatives of KMP exercise control/significant influence over it	Rent paid	On going				240
Vapi Investments Ltd.-KMP & Relatives of KMP exercise control/significant influence over it	Purchase of raw jute	On going				76847
Valio Merchants LLP-KMP & Relatives of KMP exercise control/significant influence over it	Rent payment	On going				18

Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, the 29th day of August, 2020

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

Information under Sec. 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 forming part of the Boards' Report for the financial year ended 31st March, 2020.

A. CONSERVATION OF ENERGY

- a. Awareness towards energy conservation is further enhanced by forming core group consisting of Department Heads and monitoring areas of further improvement with the help of outside experts. Some of the measures taken are as follows:
- i) All prime movers are regularly checked and monitored for containing power consumption.
 - ii) Installations of Philips make LED tube lights of 18 watt in place of 28 watt, Asian make T5 tube light fittings.
 - iii) To reduce consumption of lubricants for energy conservation drive. Measures taken by using self lubricating bushes like oilite and nylon high quality bushes for minimizing lubricants consumption in different machines. Using best quality oil to avoid wear and tear of costly parts in Spreaders and Drawing machines.
 - iv) Power losses are being eliminated and minimized by taking necessary measures in changing proper make of electrical switches and appliances.
 - v) To save power consumption and improve P.F. by adding new capacitors and replacing defective capacitors regularly as and when required.
 - vi) Using Teflon coating on steam cylinder for saving power and also re-utilization of condensate water for different purposes.
 - vii) To use individual drive motor in place of group drive motor to save power consumption.
 - viii) Installation of VFD (Variable Frequency controlled Drive) in few machines/EOT Crane to reduce power consumption.
- b. Additional investment and proposal, if any, being implemented for reduction of consumption of energy :
- During the period under review, several suggestions of energy audit carried out by an outside agency were implemented, some of which are as follows:
- (i) Installation of Power Capacitor to improve line Power factor.
 - (ii) Replacement of important parts / portion of machines to make them more power efficient.
- c. Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – The measures taken shall lead to saving in the consumption of power in future.
- d. Total energy consumption and energy consumption per unit of production – as Form 'A'

FORM – A
(A) POWER AND FUEL CONSUMPTION

	Current Year 01.04.2019 To 31.03.2020	Previous Year 01.04.2018 To 31.03.2019
1. ELECTRICITY		
a. Purchased Units	1,20,25,032	1,42,38,896
Total Amount (Rs.)	10,09,27,989	11,89,14,406
Rate per Unit (Rs.)	8.39	8.35
b. Own Generation through Diesel		
Generator (Unit)	207	–
Unit per litre of Diesel Oil	2.96	–
Cost per Unit (Rs.)	24.31	–
2. COAL		
(B Grade, used for generation of steam in boiler)		
Quantity (M.T.)	2.60	83.98
Total Cost (Rs.)	28,400	7,67,975
Average Rate (Rs.) per M.T.	10,923	9,145

(B) CONSUMPTION PER UNIT OF PRODUCTION

Products: Jute Goods Production	Unit M. T.	24,820	29,249
Consumption: Electricity	Unit	485	487
Coal	K. G.	0.10	2.87

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	8,701
(ii)	Total Foreign Exchange Earned	12,472

For and on behalf of the Board

Ideal Plaza, 11/1, Sarat Bose Road,
Kolkata, the 29th August, 2020

P. K. KANORIA
Chairman
(DIN:00305297)

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	54.09:1	5409%
			Shri S. Hada	57.07:1	5707%
			Shri V. K. Chaukhani*	17.25:1	1725%
			Shri S. K. Chatterjee**	N.A.	N.A.
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	:	Directors:		
			Shri P. K. Kanoria	Nil	
			Shri S. Hada	Nil	
			Smt. S. Poddar	N.A.	
			Shri V. K. Chaukhani*	Nil	
			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. Chatterjee**	N.A.	
			Key Managerial Personnel:		
			Shri S. K. Agarwal	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	:	4,200		
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	:	Average salary increase of non-managerial employees is Nil		
			Average salary increase of managerial employees is Nil		
			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 st March, 2020 is as per the Remuneration Policy of the Company.		

*Resigned w.e.f. 12th June, 2020.

**Appointed w.e.f. 12th June, 2020.

Note:

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

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

Place: Ideal Plaza, 11/1, Sarat Bose Road,
 Kolkata, the 29th August, 2020

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 2020, 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, 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, 2020, its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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 audit opinion on the financial statements.

Material Uncertainty Related to Going Concern

We draw your attention to note 41 of the financial statement regarding the preparation of the statement on going concern basis, for the reasons stated therein. The Company has accumulated losses and have incurred cash losses during the current year ended March 31, 2020. As on date, 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 appropriateness of assumption of going concern is critically dependent on the management's capability of turning around the business and its ability to raise requisite finances. Our opinion is not modified in respect of this matter.

Emphasis of Matter

Attention is drawn to Note no. 12.1 of the financial results regarding recognition of the insurance claim and interest thereon based on the favorable arbitration award by the Company, although the timeline permitted to go for an appeal by the Insurance Company has not expired till the signing of this report. Our opinion is not modified in respect of this matter.

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, 2020. 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.

Key audit matters that may cast significant doubt on the Company's ability to continue as a going concern in accordance with Standards of Auditing (SA) 570 (Revised) – Going Concern are described in the "Material Uncertainty related to Going Concern" section of this report. Apart from these key audit matters, we have determined the matter described below to be the key audit matter to be communicated in our report

Key Audit Matters	How our audit addressed the key audit matter
<p>Inventory Valuation & Existence (Refer to note 7 to the financial statements)</p> <p>As described in the accounting policies in note 3.1 to the standalone 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 judgement.</p>	<p>We have carried out following procedures with respect to the existence of raw jute and finished goods as at the year-end:</p> <p>We completed a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk during the interim period. Management had carried out the physical verification of inventory on March 31, 2020. On account of COVID – 19 related nationwide lockdown, we were unable to carry out inventory verification at the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory:</p> <ol style="list-style-type: none"> i) To verify the closing stock as on March 31, 2020, we have checked the Sales and Raw Jute Consumption for the quarter ended June, 2020 to confirm the closing stock. ii) We also tested sample of inventories items to ensure they were held at the lower of cost and net realizable value. iii) We also evaluated management judgement with regards to the application of provisions to the non-moving and slow moving inventories. <p>Our Observation - Based on the audit procedures performed, we did not identify any significant deviation to the process of Inventory valuation.</p>
<p>Assessment of litigations in respect of Sales Tax and Value Added Tax matter [Refer to note 34.1(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 31st March, 2020.</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"> i) We obtained a detailed understanding, assessed and tested the design and operating effectiveness of controls surrounding assessment of litigations. 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. iii) We performed our assessment on the underlying calculations supporting the disclosure made in the financial statements. iv) We assessed the adequacy of the Company's disclosures. <p>Our Observation- Based on the audit procedures performed, we did not identify any significant deviation to the assessment made by the management in respect of disclosures made under Contingent liabilities in respect of Sales Tax and Value Added Tax matter in the financial statements.</p>

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 Company's Annual Report, 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 will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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. The other information is expected to be made available to us after the date of this auditor's report.

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 an audit 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 requirements 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, 2016 ("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, 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) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) 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
- (h) 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 34.1 to the Ind AS 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.

Place: Kolkata
Date: 31st July, 2020

For J K V S & CO
Chartered Accountants
Firm's Registration No. 318086E
(Suprio Ghatak)
Partner
Membership No. 051889
UDIN:20051889AAAAEL1781

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)

We report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets have been physically verified during the year by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, inventories were physically verified during the year by the management at reasonable intervals. The discrepancies noted on such verification were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, not made any investment and have not provided any guarantee in respect of which Section 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, the paragraph 3(iv) of the Order is not applicable.
- v. According to information and explanations given to us, the Company has not accepted any deposits from public during the year.
- vi. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the dues of sales tax, income tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2020 are as under:-

Name of the Statute	Nature of the Dues	Amount (Rs.)	Year to which amount relates	Forum where dispute is pending
WBST Act, 1994	Sales Tax	24,43,452	2004-05	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	72,72,668	2004-05	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	41,43,033	2005-06	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	19,09,020	2006-07	The Hon'ble High Court at Kolkata
CST Act, 1956	Sales Tax	24,08,937	2007-08	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	11,92,972	2008-09	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956	Sales Tax	1,02,64,416	2010-11	Appellate and Revisional Board (WB Commercial Taxes)
VAT Act, 2003	VAT	21,01,678	2010-11	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956*	Sales Tax	13,17,221	2011-12	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956*	Sales Tax	15,58,512	2012-13	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956*	Sales Tax	4,93,011	2013-14	Appellate and Revisional Board (WB Commercial Taxes)
CST Act, 1956*	Sales Tax	52,06,899	2016-17	Senior Joint Commissioner Corporate Division
CST Act, 1956*	Sales Tax	10,85,065	2017-18	Senior Joint Commissioner Corporate Division

*Net of Amount Deposited under appeal

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

Place: Kolkata
Date: 31st July, 2020

For J K V S & C0
Chartered Accountants
Firm's Registration No. 318086E
(Suprio Ghatak)
Partner
Membership No. 051889
UDIN:20051889AAAAEL1781

ANNEXURE - 2 TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) 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, 2020 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, 2020, 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.

For J K V S & CO
Chartered Accountants
Firm's Registration No. 318086E

(Suprio Ghatak)
Partner
Membership No. 051889
UDIN:20051889AAAAEL1781

Place: Kolkata
Date: 31st July, 2020

CIN : L17125WB1996PLC081382

Balance Sheet as at 31st March, 2020

Particulars	Note No.	Amount (in Rs' 000)	
		As at March 31, 2020	As at March 31, 2019
I) ASSETS			
1) NON CURRENT ASSETS			
Property, plant and equipment	4	7,02,695	7,15,061
Other Intangible Asset	5	658	1,033
Other non-current assets	6	8,826	8,006
		7,12,179	7,24,100
2) CURRENT ASSETS			
Inventories	7	2,82,452	1,87,864
Financial assets			
Trade receivables	8	99,579	38,693
Cash and cash equivalents	9	21,808	5,563
Bank Balances other than Cash and Cash equivalent	10	8,274	7,803
Loans	11	-	-
Other current financial assets	12	1,04,086	43,552
Current Tax Assets (Net)	13	4,974	5,835
Other current assets	14	12,642	10,955
		5,33,815	3,00,265
TOTAL ASSETS		12,45,994	10,24,365
II) EQUITY AND LIABILITIES			
1) EQUITY			
Equity Share Capital	15	25,895	25,895
Other Equity	16	(27,570)	42,778
TOTAL EQUITY		(1,675)	68,673
2) LIABILITIES			
i) NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	17	72,876	56,739
Provisions	18	2,81,315	2,74,918
Other Non-current liabilities	19	9,607	12,953
		3,63,798	3,44,610
ii) CURRENT LIABILITIES			
Financial liabilities			
Borrowings	20	2,62,594	1,73,271
Trade payables	21		
a) Total outstanding dues of micro enterprise and small enterprise		-	-
b) Total outstanding dues other than micro enterprise and small enterprise		4,59,169	3,23,912
Other current financial liabilities	22	50,708	39,350
Contract liabilities	23	1,995	289
Other current liabilities	24	25,304	16,968
Provisions	25	84,101	57,292
		8,83,871	6,11,082
TOTAL LIABILITIES		12,47,669	9,55,692
TOTAL EQUITY AND LIABILITIES		12,45,994	10,24,365
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 31st Day of July, 2020

On behalf of the Board of Directors

 Pawan Kumar Kanoria
 Chairman
 (DIN : 00305297)

 Sanjay Hada
 Managing Director & CEO
 (DIN : 00305476)

 P.K.Jain
 Director
 (DIN : 00372338)

 Rohit Banka
 Director
 (DIN : 07521286)

 S.K.Agarwal
 CFO & Company
 Secretary

CIN : L17125WB1996PLC081382

Statement of Profit and Loss for the year ended 31st March, 2020

Particulars	Notes	Amount (in Rs' 000)	
		For the year ended 31st March, 2020	For the year ended 31st March, 2019
I) Income			
Revenue from Operations	26	18,90,769	21,81,993
Other Income	27	1,160	72,636
Total Income (I)		18,91,929	22,54,629
II) Expenses			
Cost of Materials Consumed	28	11,73,363	12,30,801
Changes in Inventories of Finished Goods and Work In Progress	29	(77,869)	88,313
Employee benefits expense	30	6,22,983	7,10,477
Finance Costs	31	31,101	61,123
Depreciation and Amortization expense	32	13,662	15,277
Other expenses	33	2,61,773	3,28,885
Total Expenses (II)		20,25,013	24,34,876
III) Profit/(Loss) before Exceptional Item & Taxation (I-II)		(1,33,084)	(1,80,247)
IV) Exceptional Items			
Exceptional Gain In Insurance (Refer note 12.1)		68,420	-
		68,420	-
V) Profit/(Loss) before Taxation (III+IV)		(64,664)	(1,80,247)
VI) Tax Expenses			
Current Tax		-	-
Deferred Tax (Refer note 43)		-	-
Income Tax for earlier years		18	383
Total Tax Expenses		18	383
VII) Profit/(Loss) for the year (V-VI)		(64,682)	(1,80,630)
VIII) Other Comprehensive Income (OCI)			
Other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods:			
Re-Measurement gains/(losses) on defined benefit plans		(5,666)	(7,526)
Income tax effect on above		-	-
Other Comprehensive Income for the year, net of tax		(5,666)	(7,526)
IX) Total Comprehensive Income for the year (VII+VIII)		(70,348)	(1,88,156)
Earnings per share - Basic and Diluted (in INR)	36	(24.98)	(69.76)
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 31st day of July, 2020

On behalf of the Board of Directors

 Pawan Kumar Kanoria
 Chairman
 (DIN : 00305297)

 Sanjay Hada
 Managing Director & CEO
 (DIN : 00305476)

 P.K.Jain
 Director
 (DIN : 00372338)

 Rohit Banka
 Director
 (DIN : 07521286)

 S.K. Agarwal
 CFO & Company
 Secretary

CIN : L17125WB1996PLC081382
Statement of Changes in Equity for the year ended 31st March, 2020

A) Equity Share Capital	Amount (in Rs' 000)
Balance as at March 31, 2018	25,895
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2019	25,895
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2020	25,895

Particulars	Reserves and Surplus			Item of other Comprehensive Income	Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	Re-Measurement of defined benefit plans	
Balance as at March 31, 2018	3,500	3,219	2,24,215		2,30,934
Profit/ (loss) for the year	-	-	(1,80,630)		(1,80,630)
Transfer of OCI - Remeasurement to Retained Earnings	-	-	(7,526)	7,526	-
Remeasurement Gain/ (Loss) (Net of Deferred Tax)	-	-		(7,526)	(7,526)
Balance as at March 31, 2019	3,500	3,219	36,089	-	42,778
Profit/ (loss) for the year	-	-	(64,682)	-	(64,682)
Transfer of OCI - Remeasurement to Retained Earnings	-	-	(5,666)	5,666	-
Remeasurement Gain/ (Loss) (Net of Deferred Tax)	-	-	-	(5,666)	(5,666)
Balance as at March 31, 2020	3,500	3,219	(34,289)	-	(27,570)

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

Pawan Kumar Kanoria
Chairman
(DIN : 00305297)

SUPRIO GHATAK
Partner
Membership No. 051889

Sanjay Hada
Managing Director & CEO
(DIN : 00305476)

Rohit Banka
Director
(DIN : 07521286)

Kolkata, the 31st day of July, 2020

P.K.Jain
Director
(DIN : 00372338)

S.K.Agarwal
CFO &
Company

CIN : L17125WB1996PLC081382
Cash Flow Statement for the year ended 31st March, 2020

Particulars	Amount (in Rs' 000)	
	Year ended 31-March-20	Year ended 31-March-19
A: Cash Flow From Operating Activities		
Net Profit/ (Loss) Before Taxes as per Statement of Profit and Loss	(1,33,084)	(1,80,247)
Adjustments For :		
Depreciation / Amortisation (Net)	13,662	15,277
(Profit)/Loss on Sale/discard of Property, plant & Equipment	-	(62,149)
Finance Cost	31,101	61,123
Sundry Balances written off	6	963
Deferred grant income	(4,374)	(5,409)
Bad Debt written off	-	416
Interest Income	(697)	(2,467)
(Profit)/Loss on Sale of Non-Current Investments	-	(33)
Liabilities no longer required written back	(1)	(2,638)
Operating Profit Before Working Capital Changes	(93,387)	(1,75,164)
Movements in Working Capital :		
Decrease / (Increase) in Inventories	(94,588)	2,47,604
Decrease / (Increase) in Trade receivables	(60,886)	1,00,188
Decrease / (Increase) in Financial Assets	(689)	7,947
Decrease / (Increase) in Non Financial Assets	6,067	1,762
Increase/ (Decrease) in Trade payable	1,35,257	(1,93,942)
Increase / (Decrease) in Financial liabilities	18,520	(21,008)
Increase / (Decrease) in Non Financial liabilities	11,057	(17,013)
Increase/ (Decrease) in Provisions	27,541	28,136
Cash generated from Operating Activities	(51,108)	(21,490)
Direct Taxes paid (net of refunds)	843	(1,280)
Net Cash generated/(used) from Operating Activities	(50,265)	(22,770)
B: Cash Flow From Investing Activities		
Purchase of Fixed Assets including CWIP and Capital Advances	(921)	(17,027)
Sale of Fixed Assets	-	1,16,110
Proceeds from maturity of fixed deposit having maturity more than 3 months (net)	(472)	6,566
Sale of Investments	-	42
Interest Received	692	2,686
Receipt of Capital Subsidy	-	4,986
Net Cash generated/(used) in Investing Activities	(701)	1,13,363
C: Cash Flow From Financing Activities		
Proceeds from Long term borrowings	(2,056)	1,525
Repayment of Long term borrowings	17,250	(41,100)
Proceeds / (Repayment) from short term borrowings (Net)	89,323	(31,483)
Interest paid	(37,306)	(35,743)
Net Cash generated/(used) from Financing Activities	67,211	(1,06,801)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	16,245	(16,208)
Cash and Cash Equivalents as at the beginning of the year	5,563	21,771
Cash and Cash Equivalents as at the end of the year	21,808	5,562

Notes to the Cash Flow Statement
1) Components of cash and cash equivalents

Balance with Banks:		
On Current Accounts	21,413	5,108
Cash on hand	395	455
Cash and Cash Equivalents (Refer Note 9)	21,808	5,563

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

3) Statement of Reconciliation of financing activities:

Particulars	Non Current borrowings (including current maturities)	Current Borrowings
Balance as at 1st April, 2019 (including interest accrued thereon)	72,246	1,73,271
Cash Flow (Net)	15,194	89,323
<u>Non Cash Changes :</u>		
Fair value change	-	-
Interest expense	6,875	22,862
Interest paid	(13,080)	(22,862)
Balance as at 31st March, 2020 (including interest accrued thereon)	81,235	2,62,594

4) Figures in brackets represents outflows/ deductions

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

As per our Report annexed

On behalf of the Board of Directors

For J K V S & Co.
Chartered Accountants
FRN No. - 318086E

Pawan Kumar Kanoria
Chairman
(DIN : 00305297)

SUPRIO GHATAK
Partner
Membership No. 051889

Sanjay Hada
Managing Director & CEO
(DIN : 00305476)

Rohit Banka
Director
(DIN : 07521286)

P.K.Jain
Director
(DIN : 00372338)

S.K.Agarwal
CFO & Company
Secretary

Kolkata, the 31st day of July, 2020

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 2020**1. CORPORATE AND GENERAL INFORMATION**

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

The Financial statements are approved for issue by the Company's Board of Directors on 31st July, 2020

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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Inventories

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

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.
- 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:

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April, 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). There is no impact of adoption of Ind AS 116 on the financial statements of the Company which has been described under Note 40.

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.

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.

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.
- 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.
- **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.

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.

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.

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.

4. Significant Judgements and Key sources of Estimation in applying Accounting Policies

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

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

5. Recent accounting Pronouncement:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

Notes to Financial Statements for the year ended 31st March, 2020
4. Property, plant and equipment

Particulars	Gross Carrying Value				Depreciation			Net Carrying Value	
	As at 01.04.19	Additions	Sale/Disposal	As at 31.03.20	For the year	Sale/Disposal	As at 31.03.20	As at 31.03.19	As at 31.03.19
Land	5,81,474	-	-	5,81,474	-	-	-	5,81,474	5,81,474
Buildings	17,794	260	-	18,054	602	-	5,113	12,941	13,283
Plant & Machinery	4,25,096	440	-	4,25,536	10,795	-	3,26,366	99,170	1,09,525
Vehicles	19,348	-	-	19,348	1,431	-	11,506	7,842	9,293
Furniture And Fittings	2,093	-	-	2,093	76	-	1,712	381	457
Computer	4,356	87	-	4,443	108	-	4,227	216	237
Office Equipments	4,266	134	-	4,400	255	-	3,729	671	792
Total	10,54,427	921	-	10,55,348	13,287	-	3,52,653	7,02,695	7,15,061

Particulars	Gross Carrying Value				Depreciation			Net Carrying Value	
	As at 01.04.18	Additions	Sale/Disposal	As at 31.03.19	For the year	Sale/Disposal	As at 31.03.19	As at 31.03.18	As at 31.03.18
Land	6,35,100	-	53,626	5,81,474	-	-	-	5,81,474	6,35,100
Buildings	15,889	1,905	-	17,794	785	-	4,511	13,283	12,163
Plant & Machinery	4,16,079	9,017	-	4,25,096	12,533	-	3,15,571	1,09,525	1,13,041
Vehicles	18,357	4,659	3,668	19,248	1,219	3,333	10,055	9,293	6,188
Furniture And Fittings	2,093	-	-	2,093	99	-	1,636	457	556
Computer	4,261	95	-	4,356	201	-	4,119	237	342
Office Equipments	4,040	226	-	4,266	263	-	3,474	792	829
Total	10,95,819	15,902	57,294	10,54,427	15,100	3,333	3,39,366	7,15,061	7,68,219

Notes:

- 4.1 Refer note - 17 & 20 for information on Property, Plant & Equipment pledged as security by the Company
 4.2 Refer note - 35.2 for disclosure on contractual commitment for acquisition on Property, Plant & Equipment
 4.3 Necessary Application has been made for exemption under Section 20 of Urban Land (Ceiling And Regulation) Act, 1976 for the excess land that may be held under the Act.

5. Other Intangible Asset

Particulars	Gross Carrying Value				Amortisation			Net Carrying Value	
	As at 01.04.19	Additions	Sale/Disposal	As at 31.03.20	For the year	Sale/Disposal	As at 31.03.20	As at 31.03.19	As at 31.03.19
Computer Software	2,545	-	-	2,545	375	-	1,887	658	1,033
Total	2,545	-	-	2,545	375	-	1,887	658	1,033

Particulars	Gross Carrying Value				Amortisation			Net Carrying Value	
	As at 01.04.18	Additions	Sale/Disposal	As at 31.03.19	For the year	Sale/Disposal	As at 31.3.19	As at 31.3.19	As at 31.03.18
Computer Software	1,420	1,125	-	2,545	175	-	1,512	1,033	83
Total	1,420	1,125	-	2,545	175	-	1,512	1,033	83

Notes to Financial Statements for the year ended 31st March 2020

	Amount in Rs' 000	
	As at March 31, 2020	As at March 31, 2019
6. Other non-current assets		
Prepaid Rent	-	104
Prepaid Expenses	902	888
Deposits against demand under dispute	7,827	6,546
Others	97	468
	8,826	8,006
7. Inventories		
(As valued and certified by the Management)		
Raw Materials (Raw Jute)	46,569	30,883
Finished Goods (Jute Goods)		
At Mill	71,970	21,994
Work-in-Progress	1,50,274	1,22,381
Stores and Spares	13,639	12,606
	2,82,452	1,87,864
7.1 Refer note - 3.1 of significant accounting policy for mode of valuation of Inventories		
7.2 Refer note - 20 (1) for information on Inventories pledged as security by the Company		
8. Trade receivables		
Trade Receivables Considered Good- Secured	-	-
Trade Receivables Considered Good- Unsecured	99,579	38,693
Trade Receivables Credit Impaired	3,348	3,348
	1,02,927	42,041
Less: Allowance for Impairment (Refer note: 47 (a) (i))	(3,348)	(3,348)
	99,579	38,693
8.1 Refer note - 20 (1) for information on trade receivables pledged as security by the Company		
8.2 There are no amounts receivable from directors and officers of the Company		
9. Cash and cash equivalents		
Cash on hand	395	455
Balance with Banks:		
- In Current Accounts	21,413	5,108
	21,808	5,563
10. Bank Balances other than Cash and Cash equivalent		
Earmarked Balances with Banks		
Fixed Deposits with Banks held as Margin Money*	8,274	7,803
	8,274	7,803
*Against Bank Guarantee, Letter of Credit & Term Loan		
11. Loans		
Unsecured, Considered Doubtful		
Loans to Body Corporate (including accrued interest)	15,000	15,000
Less: Provision for Doubtful advances (Refer note: 47 (a) (ii))	(15,000)	(15,000)
	-	-
12. Other current financial assets		
Unsecured, Considered Good		
Interest on loan to Body Corporates	828	828
Less: Provision for Doubtful advances (Refer note: 47 (a) (ii))	(828)	(828)
	-	-
Government Subsidy Receivable	18,877	18,934
Security Deposits (Refer Note 38.2)	7,500	16,018
Accrued Interest on Deposits	197	192
Advance to Employees	2,658	1,783
Other Receivable (Refer Note: 12.2 & 12.3)	6,434	6,625
	35,666	43,552
Insurance Claim Receivable (Refer Note: 12.1)	41,080	41,080
Less: Provision for doubtful receivable (Refer note: 47 (a) (ii))	(41,080)	(41,080)
Add: Reversal of Provision for Doubtful receivable (Refer note: 12.1 & Note 47 (a) (ii))	38,934	-
	29,486	-
Interest on Insurance receivable (Refer Note 12.1)	68,420	-
	1,04,086	43,552

Notes to Financial Statements for the year ended 31st March 2020

Amount in Rs' 000

- 12.1 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 would be Rs.68,420 which has been accounted for in the current accounts. 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.
- 12.2 The company has accounted for under "Other Income", a claim of Rs 5,148 based on an order dated 29th 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.
- 12.3 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.

13. Current Tax Assets (Net)	As at	
	March 31, 2020	March 31, 2019
Advance Tax (Net of provision Rs. 3,105)	4,974	5,835
	<u>4,974</u>	<u>5,835</u>

14. Other current assets	As at	
	March 31, 2020	March 31, 2019
Unsecured, Considered Good		
Advance against supply of Goods & Services	2,418	-
Balances with Government Authorities	5,226	6,651
Prepaid Rent	-	1,266
Prepaid Expenses	3,407	1,279
Others	1,591	1,759
	<u>12,642</u>	<u>10,955</u>

15. Equity Share Capital	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Authorized:				
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	10,00,000	1,00,000	10,00,000	1,00,000
		<u>1,30,100</u>		<u>1,30,100</u>
Issued & Subscribed Capital				
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	50,000	5,00,000	50,000
		<u>75,895</u>		<u>75,895</u>
Paid up Capital				
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	50,000	5,00,000	50,000
		75,895		75,895
Less: Instrument classified as Financial liability (Refer note 17.2)		(50,000)		(50,000)
		<u>25,895</u>		<u>25,895</u>

15.1 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.

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

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

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

Equity Shares of Rs. 10 each fully paid	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Shri Pawan Kumar Kanoria	8,29,112	32.02	8,29,112	32.02
Smt. Usha Kanoria	5,99,688	23.16	5,99,688	23.16
B.P. Investments Limited	5,12,078	19.78	5,12,078	19.78
6% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid				
P.K.Business Enterprise Limited	1,35,000	27.00	1,35,000	27.00
Shraddha Investments Limited	1,20,000	24.00	90,000	18.00
Ajay Investment Enterprise Limited	1,10,000	22.00	-	-
Valio Merchants LLP (Valio merchants private ltd. till 11-02-2020)	60,000	12.00	60,000	12.00
Aravali Niwas Private limited	55,000	11.00	85,000	17.00
N S Family Trust	20,000	4.00	74,000	14.80
Usha Kanoria Family Trust	-	-	36,500	7.30

Notes to Financial Statements for the year ended 31st March 2020

Amount in Rs' 000

- 15.5 No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.
- 15.6 The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which Balance Sheet is prepared.
- 15.7 No securities which are convertible into Equity/Preference shares have been issued by the Company during the year.
- 15.8 No calls are unpaid by any directors or officers of the company during the year.

16. Other Equity	As at March 31, 2020	As at March 31, 2019
Capital Redemption Reserve		
As per last Financial Statement	3,500	3,500
	3,500	3,500
General Reserve		
As per last Financial Statement	3,219	3,219
	3,219	3,219
Retained Earnings		
As per last Financial Statement	36,059	2,24,215
Add: Profit/ (Loss) for the year	(64,682)	(1,80,630)
Add: Remeasurements of Defined Benefit Obligations	(5,666)	(7,526)
	(34,289)	36,059
	(27,570)	42,778

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

- 16.1 **Capital Redemption Reserve:** It represents reserve created as a result of redemption of cumulative preference share capital of the Company. This reserve can be utilised in accordance with the provisions of Companies Act, 2013.
- 16.2 **General Reserve:** This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income.
- 16.3 **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.

17. Borrowings	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current Maturities	Non-current	Current Maturities
Secured				
Vehicle Loan from Bank	337	1,447	1,776	1,323
Vehicle Loan from others	666	816	1,482	741
	1,003	2,263	3,258	2,064
Unsecured				
Rupee Loan from Body Corporate	50,300	-	33,800	-
Rupee Loan from Members	8,350	-	7,600	-
6% Cumulative Redeemable Preference shares	13,223	-	12,081	-
	71,873	-	53,481	-
Less: Amount disclosed under the head "Other Current Liability" (Note 22)	-	(2,263)	-	(2,064)
	72,876	-	56,739	-

- 17.1 **Rupee Loans from Body Corporate & Members:** The above loans are repayable after March 31, 2021 and carries interest rate @ 0-11% p.a.
- 17.2 **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.
- 17.3 **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 2020	Equated Monthly Installment	Pending no. of installments	Starting Date	Ending Date
ICICI Bank (Loan - I)	8.24	1,057	92	12	March, 2018	March, 2021
ICICI Bank (Loan - II)	8.64	318	24	14	June, 2018	May, 2021
Yes Bank Ltd	9.00	409	12	36	August, 2018	July, 2023
Kotak Mahindra Prime Ltd	9.25	1,482	77	20	January, 2019	December, 2021

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

18. Provisions	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity (Refer Note No. 35)	2,69,119	2,63,513
Leave Encashment	12,196	11,405
	2,81,315	2,74,918

Notes to Financial Statements for the year ended 31st March 2020

Amount in Rs' 000

19. Other Non-current liabilities	As at	
	March 31, 2020	March 31, 2019
Deferred Revenue Grant	9,607	12,953
	<u>9,607</u>	<u>12,953</u>

19.1 Movement of Deferred Revenue

Particulars	2019-20	2018-19
Opening Balance (including current deferred revenue grant)	18,287	19,720
Add: Grant received/ receivable during the year	-	3,976
Less: Released to Statement of Profit & Loss	4,374	5,409
Less: Current portion of the Deferred Revenue Income	4,306	5,334
Closing Balance	<u>9,607</u>	<u>12,953</u>

20. Borrowings	As at	
	March 31, 2020	March 31, 2019
Secured		
Working Capital facilities from Banks		
Cash Credit	1,77,308	1,38,356
Buyer's Credit in Local Currency	21,286	34,915
Unsecured		
Rupee Loan from Directors	19,500	-
Rupee Loan from Members	44,500	-
	<u>2,62,594</u>	<u>1,73,271</u>

20.1 Working Capital borrowings and Buyer's Credit are secured by hypothecation of stock of raw materials, work-in-process, finished goods, stores and spare parts, book debts and charge created on certain property, plant & equipment and also secured by corporate guarantee of M/s Bhagwati Appartment Pvt.Ltd. and personal guarantee of Mr.Pawan Kumar Kanoria, Director and Mrs.Usha Kanoria, ex-Director of the Company.

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

21. Trade payables	As at	
	March 31, 2020	March 31, 2019
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises (Refer Note No: 39)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,59,169	3,23,912
	<u>4,59,169</u>	<u>3,23,912</u>

22. Other current financial liabilities

	As at	
	March 31, 2020	March 31, 2019
Current maturities of long-term debt (Refer Note 17)	2,263	2,064
Interest accrued but not due on borrowings	6,096	13,443
Interest payable (other than borrowings)	22,642	22,642
Deposit against C form	317	331
Dividend Accrued on Cumulative Preference Shares (Refer Note 42)	-	-
Liabilities for Capital Expenditure	-	401
Payable to Employees	19,290	469
	<u>50,708</u>	<u>39,350</u>

22.1 Payable to Employees include Rs. 1,212 (As at 31st March, 2019: Rs 151) to Related Parties/Key managerial personnel.

23. Contract liabilities

	As at	
	March 31, 2020	March 31, 2019
Advance from Customers	1,995	289
	<u>1,995</u>	<u>289</u>

24. Other current liabilities

	As at	
	March 31, 2020	March 31, 2019
Statutory dues payable	20,998	11,634
Deferred Revenue (Refer Note 19.1)	4,306	5,334
Other Payables	0	0
	<u>25,304</u>	<u>16,968</u>

25. Provisions

Employee Benefits	As at	
	March 31, 2020	March 31, 2019
Gratuity	62,446	30,000
Leave Encashment	1,287	3,291
Bonus	20,368	24,001
	<u>84,101</u>	<u>57,292</u>

Notes to Financial Statements for the year ended 31st March 2020

Amount in Rs' 000

	For the year ended March 31, 2020	For the year ended March 31, 2019
26. Revenue from Operations		
Sale of products (Refer Note 44)		
Domestic	18,67,473	21,69,514
Export	12,472	1,064
Hessian/ Decorative		
	<u>18,79,945</u>	<u>21,70,578</u>
Other Operating Revenue		
Scrap Sales	3,816	4,263
Sewing & Branding	1,723	1,525
Deferred Revenue Grant Income (Refer Note 19.1)	4,374	5,409
Export Incentives (MEIS, Duty Drawback & Focus Market Scheme)	911	218
	<u>10,824</u>	<u>11,415</u>
	<u>18,90,769</u>	<u>21,81,993</u>
27. Other Income		
Interest Income		
On Banks Deposits	530	692
On Others	55	19
On Fair valuation of Security Deposit	112	1,755
	<u>697</u>	<u>2,466</u>
Other Non Operating Income		
Gain on sale/discard of Property, Plant & Equipment (Net)	-	62,149
Gain/(Loss) on sale of Non-current Investments	-	33
Net Gain / (Loss) on Foreign Currency Transaction / Translation	366	-
Provision for Doubtful Debts written back	-	-
Liability no longer required written back	1	2,637
Sundry Receipts	96	5,351
	<u>463</u>	<u>70,170</u>
	<u>1,160</u>	<u>72,636</u>
28. Cost of Materials Consumed		
Raw Materials (Raw Jute)	11,73,363	12,30,801
	<u>11,73,363</u>	<u>12,30,801</u>
29. Changes in Inventories of Finished Goods and Work In Progress		
Inventories at the beginning of the year		
Finished Goods	21,994	62,781
Work-In-Process	1,22,381	1,69,907
	<u>1,44,375</u>	<u>2,32,688</u>
Inventories at the end of the year		
Finished Goods	31,970	21,994
Work-In-Process	1,50,274	1,22,381
	<u>2,22,344</u>	<u>1,44,375</u>
(Increase) / Decrease in Inventories of Finished Goods & WIP	<u>(77,869)</u>	<u>88,313</u>
30. Employee benefits expense		
Salaries & Wages	5,25,926	6,01,254
Contribution to Provident & Other Funds	94,822	1,06,702
Staff Welfare Expenses	2,235	2,521
	<u>6,22,983</u>	<u>7,10,477</u>

Notes to Financial Statements for the year ended 31st March 2020

	Amount in Rs' 000	
	For the year ended March 31, 2020	For the year ended March 31, 2019
31. Finance Costs		
Interest Expenses		
On Term Loan	-	23
On Cash Credit	19,792	18,354
On Unsecured Loan	6,480	14,646
On Buyer's Credit	3,070	1,448
Interest on Preference Shares	1,142	1,043
On Car Loan	394	328
	<u>30,878</u>	<u>35,842</u>
Other Borrowing Cost		
Applicable Net Gain / Loss on Foreign Currency Transaction / Translation	-	-
Other Financial Charges	223	25,281
Dividend on Preference shares	-	-
	<u>223</u>	<u>25,281</u>
	<u>31,101</u>	<u>61,123</u>
32. Depreciation and Amortisation expense		
Depreciation on Property, Plant and Equipment	13,287	15,101
Amortisation Expenses on Intangible Assets	375	176
	<u>13,662</u>	<u>15,277</u>
33. Other expenses		
MANUFACTURING		
Stores & Spares consumed	79,097	1,03,989
Power & Fuel	1,02,280	1,21,578
Repairs To Machinery	5,227	11,426
Repairs To Buildings	645	3,269
Insurance	2,845	4,383
	<u>1,90,094</u>	<u>2,44,645</u>
(A)		
SELLING AND ADMINISTRATION		
Rent	1,986	3,611
Motor Car Expenses	3,068	3,517
Travelling Expenses	1,176	1,228
Rates & Taxes	2,225	2,196
Repairs To Others	5,326	5,166
Professional Service Charges	4,423	5,061
Export Expenses (including Freight Rs. 503, Previous year Rs. 181)	555	199
Auditor's Remuneration		
As Statutory Audit Fees	375	375
For Taxation Matters	40	40
In Other Capacity	175	185
Forwarding & Delivery charges	10,728	10,210
Brokerage & Commission on Sales	2,162	3,550
Sundry Balances written off (Net)	6	963
Net Gain / (Loss) on Foreign Currency Transaction / Translation	-	742
Net Gain / (Loss) on Foreign Currency Derivative transaction	-	-
Bad debts written off	-	416
Less: Provision for Doubtful Debts	-	-
Directors sitting fees	97	103
Charity & Donation	-	100
Miscellaneous Expenses	39,337	46,578
	<u>71,679</u>	<u>84,240</u>
(B)		
Total = (A) + (B)	<u>2,61,773</u>	<u>3,28,885</u>

33.1 Stores and spares consumed includes Rs 8,779 (Previous year Rs 9,889) on account of Repairs to Machinery (fully indigenous)

Notes to Financial Statements for the year ended 31st March 2020

	Amount in Rs' 000	
	As at 31st March 2020	As at 31st March 2019

34. Contingent Liabilities & Commitments
34.1 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. 7,827 (31st March, 2019- Rs. 6,546) has been paid to relevant authorities as deposit against appeal.	49,224	61,005
b) Land revenue under The West Bengal Land Reforms (Amendment) Act, 2003 and Kolkata Land Revenue Act, 2003. The Company has received no dues order under the above act by the Government of West Bengal dated 28-05-2019.	-	13,257
c) 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.

34.2 Capital & Other Commitments

- There is Nil amount of contracts remaining to be executed on capital account net of advance/deposit.
- The Company has imported certain Plant & Machinery during the financial year 2016-17 under Zero Duty Export Promotion Capital Goods (EPCG) Scheme having authorization dated 23.12.2016. Under the above scheme, the company had to fulfill export obligation amounting to Rs. 20,029 within 6 years from the date of authorization, the same has been fulfilled by the Company during the current financial year.

35. Employee Benefits

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

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Employer's Contribution to Provident Fund	8,756	9,893
Employer's Contribution to Superannuation Fund	400	498
Employer's Contribution to Pension Scheme	29,091	32,973
Employer's Contribution to Employees State Insurance Scheme	16,078	24,356

35.2 Defined Benefit Plans:

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

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

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

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.

	As at	
	31st March, 2020	31st March, 2019
Present Value of funded obligations	3,45,246	3,01,500
Fair value of plan assets	13,681	7,987
Liabilities in respect of funded obligations on actuarial valuation basis	3,31,565	2,93,513

Notes to Financial Statements for the year ended 31st March 2020

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of defined benefit obligation at the beginning of the year	3,01,500	2,87,038
Employer Service Cost	18,380	17,011
Interest Cost	20,030	20,839
Plan Amendments: Vested portion at the end of period(past service)	-	-
Actuarial Gain (-) / Loss (+)	6,248	6,046
Benefits paid	(912)	(29,434)
Present value of defined benefit obligation at the end of the year	3,45,246	3,01,500

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Fair value of Plan Assets at the beginning of the year	7,987	24,537
Acquisition adjustments	-	-
Expected return on Plan Assets	524	1,864
Actual Company Contribution	5,500	12,500
Benefit Payments	(912)	(29,434)
Appreciation / Depreciation of Plan Assets	-	-
Actuarial Gain(+)/ Loss(-)	582	(1,480)
Fair Value of Plan Assets at the end of the year	13,681	7,987

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current Service Cost - Grativity (Funded)	18,380	17,011
Past Service cost (vested)	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability/(Asset)	19,506	18,976
Expenses recognised in the Statement of Profit and Loss	37,886	35,987

V. Remeasurement recognised in Other Comprehensive Income

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	29,492	1,165
- experience variance (i.e. Actual experience vs assumptions)	(23,244)	4,881
- others	-	-
Return on plan assets, excluding amount recognized in net interest expenses	(582)	1,480
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit cost recognised in other comprehensive income	5,666	7,526

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Qualifying insurance policy	100%	100%

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
1. Mortality	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
2. Discount Rate	6.66%	7.70%
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

VIII. A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Increase/ Decrease in present value of defined benefit obligation due to following factors:	Sensitivity Level	31-Mar-20		31-Mar-19	
		Increase	Decrease	Increase	Decrease
Discount Rate	0.50%	3,28,433	3,63,449	2,89,604	3,14,354
Further salary increase	0.50%	3,63,692	3,28,082	3,14,631	2,89,264
Attrition rate	0.50%	3,45,972	3,44,520	3,02,067	3,00,933
Mortality rate	0.50%	3,47,498	3,42,994	3,03,208	2,99,792

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 31st March, 2020
Within the next 12 months	60,759
Between 2 and 5 years	92,831
Between 6 and 10 years	1,05,601
Beyond 10 years	4,80,698

X. As at 31st March, 2020, the weighted average duration of defined benefit obligation was 17 years.

XI. The Company expects to contribute Rs.30,000 (P.Y- Rs. 30,000) to its gratuity fund

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

Notes to Financial Statements for the year ended 31st March 2020
36. Earnings Per Share (EPS)

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Net Profit for the Year (Rs.)	(64,682)	(1,80,630)
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.)	(24.98)	(69.76)

37. 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.

37.1 Geographical segments

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

Particulars	31st March, 2020		31st March, 2019	
	India	Overseas	India	Overseas
Revenue from operations (Sale of Jute Goods)	18,67,473	12,472	21,69,514	1,064
Non Current Assets Other than financial instruments*	7,12,179	-	7,24,100	-

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

37.2 Extent on reliance on major customers:

Revenue from government agencies amounting to Rs. 15,79,092 (approx 84% of revenue) [FY 2018-19- Rs. 16,63,069 (77 % of revenue) arising on sale of Jute sacking bags within India].

38. Related Party Transactions

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

38.1 Names of Related Parties
I. Key Managerial Personnel (KMP)

1. Shri Pawan Kumar Kanoria - Executive Chairman
2. Shri Sanjay Hada - Managing Director & CEO
3. Shri Vijendra Kumar Chaukhanj - Whole time Director (retired w.e.f 12-06-2020)
4. Shri Pranab Kumar Mookerjee- Independent Director
5. Shri Pradeep Kumar Jain- Independent Director
6. Shri Rohit Banka- Independent Director
7. Shri Piyush Bhartiya- Independent Director
8. Smt. Smita Poddar-Non Executive Director

II. Relatives of Key Managerial Personnel

1. Smt. Usha Kanoria
2. Smt. Vinita Ahmed
3. Smt. Sonal Hada
4. Smt. Uma Hada
5. Mrs. Ashima Jain
6. Mr. Vihan Hada

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 (Vanila Tracom Private Ltd. till 12-02-2020)
4. P.K. Business Enterprise Limited
5. Vapi Investments Limited
6. Softlink Merchants Pvt. Limited
7. Devang Tradecom Pvt. Limited
8. Aravali Nivas LLP (Aravali Nivas Private Ltd. till 17-02-2020)
9. Ajay Investment Enterprise Ltd.
10. Shraddha Investments Ltd.
11. Pawan Kumar Kanoria (HUF)
12. Automation Tracom Pvt. Limited
13. Valio Merchants LLP (Valio Merchants private limited till 11-02-2020)

IV. Post Employment Benefit plan entities

Reliance Jute Mills Co.Ltd. Employees Provident Fund

Notes to Financial Statements for the year ended 31st March 2020
38.2 Particulars of Transactions during the year ended 31st March, 2020

Amount in Rs' 000

Nature of Transaction	Period	Key Management Personnel	Relatives of Key Management Personnel	Entities where control exists	Post Employment benefit plan entities
Remuneration*	2019-20	17,775	120		-
	2018-19	19,912	120	-	-
Purchase of Raw Jute	2019-20			76,847	-
	2018-19	-	-	1,63,928	-
Rent Paid/Service Charges	2019-20	672	1,008	306	-
	2018-19	672	1,008	306	-
Sitting Fees	2019-20	79	18	-	-
	2018-19	91	12	-	-
Interest Paid	2019-20	-	1,418	902	-
	2018-19	1,107	2,640	827	-
Service Charges	2019-20	-	-	144	-
	2018-19	-	-	144	-
Contribution made to PF Trust (including Employees' share)	2019-20	-	-	-	94,474
	2018-19	-	-	-	1,13,624
Loan Taken	2019-20	22,450	54,300	1,250	-
	2018-19	27,700	22,050	800	-
Loan Repaid	2019-20	2,950	9,800	500	-
	2018-19	27,700	50,450	-	-
Sale of Land	2019-20	-	-	-	-
	2018-19	13,200	50,000	52,500	-
Balance outstanding at the year end					
Security Deposit	31st March, 2020	3,000	4,500	-	-
	31st March, 2019	4,834	11,280	-	-
Loan	31st March, 2020	19,500	44,500	8,350	-
	31st March, 2019	-	-	7,600	-
Interest Payable	31st March, 2020	-	1,276	812	-
	31st March, 2019	997	2,283	744	-
PF Contribution Payable	31st March, 2020	-	-	-	7,276
	31st March, 2019	-	-	-	796
Trade Payable	31st March, 2020	-	-	76,847	-
	31st March, 2019	-	-	10,640	-

* 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.

Particulars	Period	Shri Pawan Kumar Kanoria	Shri Sanjay Hada	Shri Vijendra Kumar Chaukhani
Short Term Employee Benefits	2019-20	7,338	7,750	2,247
	2018-19	9,240	7,920	2,352
Post Employment Benefits	2019-20	150	150	100
	2018-19	150	150	100
Other Long term Benefits	2019-20	-	-	40
	2018-19	-	-	-
Termination Benefits	2019-20	-	-	-
	2018-19	-	-	-
Share Based payments	2019-20	-	-	-
	2018-19	-	-	-

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

Notes to Financial Statements for the year ended 31st March 2020

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
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	-	-

40. Leases (Operating Leases)

The Company has adopted Ind AS 116 "Leases" with the date of initial application being 1st April, 2019, there is no impact as all leases are short term in nature.

41. Going Concern

b) In the month of May and June, 2019, there were riots and political disturbances in the area where mill is situated which adversely effected mill working. There was suspension of work at company's mill from 01.04.2019 to 07.04.2019 and 08.01.2020 to 15.02.2020 due to labour problem and from 23.03.2020 to 31.03.2020 due to COVID 19, which also contributed to higher losses.

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, 2020. The said matter was taken on record by the Board of Directors of the Company at their meeting held on 14th May, 2019 and Rs. 1,107 has not been recognised for the current financial year.

43. 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:

	31.03.2020	31.03.2019
A) Deferred Tax Asset		
Section 43B items	78,160	73,280
Business Losses & Unabsorbed Depreciation	1,17,072	1,13,557
Provisions on Expected Credit Loss (ECL)	5,544	16,763
MAT Credit Entitlement	409	438
Others	2,868	2,204
Total (A)	2,04,053	2,06,242
B) Deferred Tax Liability		
Fair value gain on Preference share	9,562	10,549
Depreciation	7,412	7,338
Total (B)	16,974	17,887
Net Deferred Tax Asset (A-B)	1,87,079	1,88,355

44. 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.

	31.03.2020	31.03.2019
i) Primary Geographical Markets		
Within India	18,67,473	21,69,514
Outside India	12,472	1,064
Total	18,79,945	21,70,578
ii) Major Products		
Jute Goods	18,79,945	21,70,578
Total	18,79,945	21,70,578
iii) Timing of Revenue		
At a point in time	18,79,945	21,70,578
Over time	-	-
Total	18,79,945	21,70,578
iv) Contract Duration		
Long Term	-	-
Short Term	18,79,945	21,70,578
Total	18,79,945	21,70,578
v) Sales Channel		
Direct to Customers	18,79,945	21,70,578
Through Intermediaries	-	-
Total	18,79,945	21,70,578

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

Particulars	31.03.2020	31.03.2019
Receivables, which are included in "Trade receivables"	99,579	38,693
Contract assets	-	-
Contract liabilities (Advance from Customer)	1,995	289
Total (Assets-Liabilities)	97,584	38,982

D. Other Information

i) Transaction price allocated to the remaining performance obligations	Nil
ii) The amount of revenue recognised in the current year that was included in the opening contract liability balance	289
iii) The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil
iv) Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil
v) Significant payment terms	
Financing Component	Nil
Volume Discount	Nil

45. Capital management

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

Quantitative data	As at	
	March 31, 2020	March 31, 2019
Current Assets	5,33,815	3,00,265
Current Liabilities	8,83,871	6,11,082
Current Ratio	0.60	0.49
Debt *	3,07,651	2,18,709
Equity	(1,675)	68,673
Debt Equity ratio	(183.67)	3.18

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

46. FAIR VALUE MEASUREMENT

A. FAIR VALUE MEASUREMENT

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

	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets (Non Current)						
(i) Investments - Equity Instrument	-	-	-	-	-	-
(ii) Loans	-	-	-	-	-	-
Total (a)	-	-	-	-	-	-
Financial Assets (Current)						
(i) Trade receivables	-	-	99,579	-	-	38,693
(ii) Cash and cash equivalents	-	-	21,808	-	-	5,563
(iii) Bank Balances other than cash and cash equivalents	-	-	8,274	-	-	7,803
(iv) Loans	-	-	-	-	-	-
(v) Other current financial assets	-	-	97,652	-	-	36,927
(vi) Other Receivable	-	-	6,434	-	-	6,625
Total (b)	-	-	2,33,747	-	-	95,611
Total Financial assets (a+b)	-	-	2,33,747	-	-	95,611

	March 31, 2020		March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Liabilities (Non-Current)				
(i) Borrowings	-	72,876	-	56,739
(ii) Other Financial Liabilities	-	-	-	-
Total (a)	-	72,876	-	56,739
Financial Liabilities (Current)				
(i) Borrowings	-	2,62,594	-	1,73,271
(ii) Trade Payables	-	4,59,169	-	3,23,912
(iii) Other Financial Liabilities	-	50,708	-	39,350
Total (b)	-	7,72,471	-	5,36,533
Total Financial Liabilities (a+b)	-	8,45,347	-	5,93,272

B. FAIR VALUE OF FINANCIAL ASSETS & LIABILITIES

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

Particulars	31st March 2020		31st March 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Trade Receivables	99,579	99,579	38,693	38,693
Cash and Cash Equivalents	21,808	21,808	5,563	5,563
Bank Balances other than Cash and Cash equivalent	8,274	8,274	7,803	7,803
Other current financial assets	1,04,086	1,04,086	43,552	43,552
Total Financial Assets	2,33,747	2,33,747	95,611	95,611
Financial Liabilities				
Long term Borrowings	72,876	72,876	56,739	56,739
Short Term Borrowings	2,62,594	2,62,594	1,73,271	1,73,271
Trade Payables	4,59,169	4,59,169	3,23,912	3,23,912
Other Current Financial Liabilities	50,708	50,708	39,350	39,350
Total Financial Liabilities	8,45,347	8,45,347	5,93,272	5,93,272

Notes on Financial Statements for the year ended 31st March 2020
Amount in Rs' 000

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

C. FAIR VALUE HIERARCHY

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

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

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

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

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

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

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

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

	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets (Non-Current)						
(i) Investments- Equity Instrument	-	-	-	-	-	-
(ii) Loans	-	-	-	-	-	-
Total (a)	-	-	-	-	-	-
Financial Assets (Current)						
(i) Trade receivables	-	-	99,579	-	-	38,693
(ii) Cash and cash equivalents	-	-	21,808	-	-	5,563
(iii) Bank Balances other than cash and cash equivalents	-	-	8,274	-	-	7,803
(iv) Loans	-	-	-	-	-	-
(v) Other current financial assets	-	-	97,652	-	-	36,927
(vi) Other Receivable	-	-	6,434	-	-	6,625
Total (b)	-	-	2,33,747	-	-	95,611
Total Financial assets (a+b)	-	-	2,33,747	-	-	95,611
	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities (Non-Current)						
(i) Borrowings	-	-	72,876	-	-	56,739
Total (a)	-	-	72,876	-	-	56,739
	March 31, 2020			March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities (Current)						
(i) Borrowings	-	-	2,62,594	-	-	1,73,271
(ii) Trade Payables	-	-	4,59,169	-	-	3,23,912
(iii) Other Financial Liabilities	-	-	50,708	-	-	39,350
Total (b)	-	-	7,72,471	-	-	5,36,533
Total Financial Liabilities (a+b)	-	-	8,45,347	-	-	5,93,272

47. Financial risk management objectives and policies

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

- a) Credit risk
- b) Liquidity risk
- c) Market risk

a) Credit Risk

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

i) Trade receivables

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

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Less than 2 years	More than 2 years	Total	Less than 2 years	More than 2 years	Total
Gross Carrying Amount	99,579	3,348	1,02,927	38,693	3,348	42,041
Expected loss rate	0%	100%		0%	100%	
Expected credit losses (loss allowance provision)	-	3,348	3,348	-	3,348	3,348
Carrying amount of trade receivables (net of impairment)	99,579	-	99,579	38,693	-	38,693

Notes on Financial Statements for the year ended 31st March 2020

Amount in Rs' 000

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, 2020			As at 31st March, 2019		
	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 (loss allowance provision)	-	15,828	15,828	-	15,828	15,828
Carrying amount of loans (net of impairment)	-	-	-	-	-	-

Insurance Claim receivable

Particulars	As at 31st March, 2020			As at 31st March, 2019		
	Less than 1 year	1- 2 year	More than 2 years	Less than 1 year	1- 2 year	More than 2 years
Gross Carrying Amount	-	-	41,080	-	-	41,080
Expected loss rate	0%	25%	100%	0%	25%	100%
Expected credit losses (loss allowance provision)	-	-	41,080	-	-	41,080
Reversal of Loss allowance provision (Refer Note 12.1)			(38,934)			
Carrying amount of Claims receivable (net of impairment)	-	-	38,934	-	-	-

Reconciliation of Loss Allowance provision	Trade Receivable	Loans to body Corporate	Insurance Claim receivable
Loss allowance as on 31st March, 2019	3,348	15,828	41,080
Change in Loss Allowance (net)	-	-	(38,934)
Loss allowance as on 31st March, 2020	3,348	15,828	2,146

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 years to 5 years	More than 5 years	Total
Year ended 31 March 2020					
Long Term borrowings	-	-	9,353	63,523	72,876
Security Deposit	-	-	-	-	-
Short Term borrowings	64,000	1,98,594	-	-	2,62,594
Trade payables	-	4,59,169	-	-	4,59,169
Current maturities of long-term debt	-	2,263	-	-	2,263
Interest accrued but not due on borrowings	-	6,096	-	-	6,096
Interest payable (other than borrowings)	-	22,642	-	-	22,642
Liability for Capital Expenditure	-	-	-	-	-
Payable to Employees	-	19,390	-	-	19,390
Total	64,000	7,08,154	9,353	63,523	8,45,030
Year ended 31 March 2019					
Long Term borrowings	-	-	10,858	45,881	56,739
Security Deposit	-	-	-	-	-
Short Term borrowings	-	1,73,271	-	-	1,73,271
Trade payables	-	3,23,912	-	-	3,23,912
Current maturities of long-term debt	-	2,064	-	-	2,064
Interest accrued but not due on borrowings	-	11,443	-	-	13,443
Interest payable (other than borrowings)	-	22,642	-	-	22,642
Liability for Capital Expenditure	-	401	-	-	401
Payable to Employees	-	469	-	-	469
Total	-	5,36,202	10,858	45,881	5,92,941

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 31-03-2020

Notes on Financial Statements for the year ended 31st March 2020
Amount in Rs' 000
ii) Interest rate risk

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

Particulars	31st March 2020	31st March 2019
Fixed Rate Instruments		
Financial Assets	8,274	7,803
Financial Liabilities	1,60,425	93,719
	1,68,699	1,01,522
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	1,77,308	1,38,356
	1,77,308	1,38,356

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, 2020	+50	-887	-887
	-50	887	887
As at 31st March, 2019	+50	-692	-692
	-50	692	692

48. The COVID-19 outbreak and resulted national lockdown imposed by the Government from 25th March, 2020 has caused on Pan-India disruption of businesses. 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 judgments, estimates and assumptions including sensitivity analysis as well as the internal / external information available up to 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.

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

As per our Report annexed

On behalf of the Board of Directors

For J K V S & Co.
Chartered Accountants
FRN No. - 318086E

Pawan Kumar Kanoria
Chairman
(DIN : 00305297)

SUPRIO GHATAK
Partner
Membership No. 051889

Sanjay Hada
Managing Director & CEO
(DIN : 00305476)

Robit Banka
Director
(DIN : 07521286)

Kolkata, the 31st day of July, 2020

P.K.Jain
Director
(DIN : 00372338)

S.K. Agarwal
CFO & Company
Secretary