

### AUDITORS' REPORT

We have audited the attached Balance Sheet of Indian Jute Mills Association as at 31<sup>st</sup> March, 2012 and also the Statement of Profit & Loss for the year ended on that date annexed thereto. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. We have examined the attached Balance Sheet of Indian Jute Mills Association as at 31<sup>st</sup> March, 2012 and the annexed Statement of Profit & Loss for the year ended on that date which are in agreement with the books of account.

2. In view of the non-applicability of the Companies (Auditors' Report) order, 2003 to the Association, the requirements of paragraphs 4 & 5 of the said order have not been dealt with in this report.

3. We report that:

- (i) Details of Fixed Assets of the North American Office which was closed at the end of 1976 were not available to us for verification.
- (ii) No adjustments have been made in these accounts in respect of Income-tax liabilities/refunds and Wealth-tax liabilities for certain assessment years (Refer Notes (a) & (b) in Schedule 'B'). Adjustments may be necessary in the accounts when assessments are finalized.

4. In our opinion, the Balance Sheet and the accounts comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

5. Subject to the remarks in 3 above, in our opinion, proper books of accounts have been kept by the Association as required by law, so far as appears from our examination of these books.

6. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

7. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required.

8. Subject to the consequential effect on the result for the year and the net assets position at the year end arising out of the matters stated in paragraph 3 above and Notes on Accounts, the Balance Sheet gives a true and fair view in conformity with the accounting principles generally accepted in India of the Association's affairs as at 31<sup>st</sup> March, 2012 and the Statement of Profit & Loss give a true and fair view of the excess of income over expenditure for the year ended on that date.

2, J.L. Nehru Road  
Kolkata - 700 013.

The 10<sup>th</sup> day of Sept. 2012.



**For N. K. JAIN & CO.**  
Chartered Accountants  
(Firm Regn. No. 304078E)

*N. K. Jain*  
Proprietor

**N. K. JAIN**  
Membership No. 005976

# INDIAN JUTE MILLS ASSOCIATION

BALANCE SHEET AS ON 31st MARCH, 2012

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholder's Funds</b>			
(a) Share Capital			
(b) Reserves and Surplus	1	11,799,500.51	10,720,615.05
<b>Non-Current Liabilities</b>			
Long Term Provision	2	2,137,172.00	2,373,392.00
<b>Current Liabilities</b>			
(a) Trade Payables	3	475,955.93	331,251.93
(b) Other Current Liabilities ***	4	51,661.00	355,316.00
(c) Short-Term Provisions			
<b>TOTAL</b>		<b>14,464,289.44</b>	<b>13,780,574.98</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
(a) <u>Fixed Assets</u>			
Tangible Assets	5	813,886.39	465,615.92
(b) Non-current investments	6	1,859,000.00	1,859,000.00
(c) Long term loans and advances	7	382,393.38	382,393.38
(d) Other non-current assets	8	399,815.44	367,302.44
<b>Current Assets</b>			
(a) Trade receivables	9	8,282,124.34	8,380,843.32
(b) Cash and cash equivalents	10	2,693,828.89	2,186,426.92
(c) Short Term Loans & Advances	11	33,241.00	138,993.00
<b>TOTAL</b>		<b>14,464,289.44</b>	<b>13,780,574.98</b>

Significant Accounting Policies

Other Notes on Accounts

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2, J. L. Nehru Road,  
Kolkata - 700 013

As per our Report of even date annexed hereto

**For N. K. JAIN & CO.**

Chartered Accountants  
(Firm Regn. No. 304078E)

*N. K. Jain*  
Proprietor

*Opense Jais*  
Chairman

The 10th day of Sept. 2012.

*[Signature]*  
Committee Member

*[Signature]*  
Secretary General



# INDIAN JUTE MILLS ASSOCIATION

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

Particulars	Sch. No.	As at 31.03.2012	As at 31.03.2011
<b>INCOME</b>			
Revenue from operations	12	12,799,705.00	13,932,482.60
Other Income	13	132,927.00	143,991.81
<b>Total Revenue</b>		<b>12,932,632.00</b>	<b>14,076,474.41</b>
<b>EXPENDITURE</b>			
Employee Benefits Expense	14	6,081,032.49	6,653,898.17
Depreciation and Amortisation Expense	15	249,325.43	138,864.72
Other Expenses	16	5,555,901.62	6,373,183.88
<b>Total Expenses</b>		<b>11,886,259.54</b>	<b>13,165,949.77</b>
Profit before Tax		1,046,372.46	910,524.64
Tax expense: Current tax		-	-
<b>PROFIT FOR THE YEAR AFTER TAXATION</b>		<b>1,046,372.46</b>	<b>910,524.64</b>
Earning per equity share of face value of Rs.10 each Basic		-	-

Significant Accounting Policies

Other Notes on Accounts

17



2, J. L. Nehru Road  
Kolkata - 700 013.

As per our Report of even date annexed hereto

**For N. K. JAIN & CO.**

Chartered Accountants  
(Firm Regn. No. 304078E)

*[Signature]*  
Chairman

The 10<sup>th</sup> day of Sept. 2012.

*[Signature]*  
Proprietor

Committee Member

*[Signature]*  
Secretary General

# INDIAN JUTE MILLS ASSOCIATION

Notes on Accounts for the year ended 31st March, 2012

## Note 1: RESERVE & SURPLUS

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	<b>Surplus in the Statement of Profit and Loss</b>		
	Balance at the beginning of the year	10,720,615.05	9,793,272.41
	Add:- Profit for the year	1,046,372.46	910,524.64
	Add:- Transferred during the year from :-SBI Reserve Fund	32,513.00	16,818.00
	Balance as at the end of the year	11,799,500.51	10,720,615.05
	<b>TOTAL</b>	<b>11,799,500.51</b>	<b>10,720,615.05</b>

## Note 2: LONG TERM PROVISION

	Particulars	As at 31.03.2012	As at 31.03.2011
	Provision For Employees Benefits: Gratuity	2,137,172.00	2,373,392.00
	<b>TOTAL</b>	<b>2,137,172.00</b>	<b>2,373,392.00</b>

## Note 3 : Trades Payable

	Particulars	As at 31.3.2012	As at 31.03.2011
	<b>Sundry Creditors for Expenses</b>		
	Audit Fees Payable	11,236.00	11,030.00
	Service Tax on Members Subscription	451,188.08	310,895.08
	Sec. & H. E. Cess on Service Tax (Mem. Subscription)	13,531.85	9,326.85
	<b>TOTAL</b>	<b>475,955.93</b>	<b>331,251.93</b>

## Note 4 : Other Current Liabilities

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	Duties & Taxes (Service Tax Payable)	51,661.00	355,316.00
	<b>TOTAL</b>	<b>51,661.00</b>	<b>355,316.00</b>





# INDIAN JUTE MILLS ASSOCIATION

Notes on Accounts for the year ended 31st March, 2012

## Note 5: Fixed Assets

Sr. No	Particulars	Rate	Gross Block				Depreciation			Net Block		
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.12.2012	WDV as on 31.03.2011
I	<u>Tangible Assets</u>											
1	Air Conditioner	13.91%	126624.04	16,990.00	-	143,614.04	-	19,711.25	-	19,711.25	123,902.79	126624.04
2	Furniture & Fittings : N. Y. Office	18.10%	117.03	-	-	117.03	-	21.18	-	21.18	95.85	117.03
3	Computer & Laptop	40%	125787.49	-	-	125,787.49	-	50,315.00	-	50,315.00	75,472.49	125787.49
4	Cycles	14.93%	4.65	-	-	4.65	-	0.69	-	0.69	3.96	4.65
5	EPABX	18.10%	5445.67	-	-	5,445.67	-	985.67	-	985.67	4,460.00	5445.67
6	Fax	13.91%	10992.13	-	-	10,992.13	-	1,529.01	-	1,529.01	9,463.12	10992.13
7	Generator (Inventor Unit)	13.91%	44.75	-	-	44.75	-	6.22	-	6.22	38.53	44.75
8	Motor Cars	25.89%	-	565,385.00	-	565,385.00	-	146,378.18	-	146,378.18	419,006.82	0
9	Office Equipment & Furniture	18.10%	28568.31	15,220.90	-	43,789.21	-	7,005.00	-	7,005.00	36,784.21	28568.31
10	Xerox Machine	13.91%	168031.85	-	-	168,031.85	-	23,373.23	-	23,373.23	144,658.62	168031.85
	SUB TOTAL (A)		465615.92	597,595.90	-	1,063,211.82	-	249,325.43	-	249,325.43	813,886.39	465,615.92
II	<u>Intangible Assets</u>											
	SUB TOTAL (B)		-	-	-	-	-	-	-	-	-	-
	Total [A + B] (Current Year)		465,615.92	597,595.90	-	1,063,211.82	-	249,325.43	-	249,325.43	813,886.39	465,615.92
	(Previous Year)		483,108.22	139,100.60	17,728.18	604,480.64	-	138,864.72	-	138,864.72	465,615.92	483,108.22



# INDIAN JUTE MILLS ASSOCIATION

Notes on Accounts for the year ended 31st March, 2012

## Note 6: Non Current Investment

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	IDBI Fixed Deposit	-	1,500,000.00
2	SBI Short Term Deposit	1,500,000.00	-
3	Fixed Deposit with SBI from Members	359,000.00	359,000.00
	<b>TOTAL</b>	<b>1,859,000.00</b>	<b>1,859,000.00</b>

## Note 7: Long Term Loans and Advances

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	Other		
	Income Tax	310,373.38	310,373.38
	Wealth Tax	72,020.00	72,020.00
	<b>TOTAL</b>	<b>382,393.38</b>	<b>382,393.38</b>

## Note 8 : Other Non-Current Assets

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	SBI Reserve Fund	375,431.44	342,918.44
2	Interest Receivable	18,595.00	18,595.00
3	Accrued Interest on Short Term Deposit	5,789.00	5,789.00
	<b>TOTAL</b>	<b>399,815.44</b>	<b>367,302.44</b>

## Note 9 : Trade Recievables

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	Sundry Debtors:		
1	Outstanding for more than six months Unsecured, Considered Good :	5,364,886.72	8,380,843.32
2	Other Debt	2,917,237.62	
	<b>TOTAL</b>	<b>8,282,124.34</b>	<b>8,380,843.32</b>



# INDIAN JUTE MILLS ASSOCIATION

## Note 10 : Cash & Cash equivalents

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Cash-in-Hand Cash Balance	2,000.00	2,000.00
2	With Scheduled Banks in Current Account	2,691,828.89	2,184,426.92
	<b>TOTAL</b>	<b>2,693,828.89</b>	<b>2,186,426.92</b>

## Note 11 : Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	<u>Others :Unsecured &amp; considered Good</u>		
	Tax Deducted at Source	13,293.00	-
	Advance Tax	12,834.00	132,551.00
	Prepaid Expenses	7,114.00	6,362.00
	Revenue Stamp	-	80.00
	<b>TOTAL</b>	<b>33,241.00</b>	<b>138,993.00</b>





# INDIAN JUTE MILLS ASSOCIATION

Notes on Accounts for the year ended 31st March, 2012

## Note 12 : Revenue from Operations

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	Subscription for the year	10,970,235.00	12,797,250.00
	Special Contribution for Barrackpore Office	100,000.00	120,000.00
	Special Subscription for Consultancy	-	283,952.80
	Special Contribution for Legal Expenses	1,729,470.00	731,279.80
	<b>TOTAL</b>	<b>12,799,705.00</b>	<b>13,932,482.60</b>

## Note 13 : Other Income

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	Interest on Fixed Deposit	132,927.00	136,720.00
	Profit on sale of Motor Car	-	7,271.81
	<b>TOTAL</b>	<b>132,927.00</b>	<b>143,991.81</b>

## Note 14: Employee Benefit Expenses

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Establishment	4,978,700.49	5,816,347.37
2	Gratuity Retirement Benefit	654,553.00	198,095.00
3	Holiday/L. T. A	135,081.00	171,048.60
4	Medical Expenses	62,183.00	87,256.20
5	Overtime/Khorakhi	25,500.00	45,434.00
6	Provident Fund (Employer Contribution)	191,102.00	286,641.00
7	Admin Charges on EDLI	238.00	329.00
8	Admin Charges on Provident Fund	26,335.00	39,116.00
9	EDLI	7,340.00	9,631.00
	<b>TOTAL</b>	<b>6,081,032.49</b>	<b>6,653,898.17</b>

## Note 15 : Depreciation & Amortisation Expenses

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
	Depreciation	249,325.43	138,864.72
	<b>TOTAL</b>	<b>249,325.43</b>	<b>138,864.72</b>

## Note 16 : Other Expenses

Sr. No	Particulars	As at 31.03.2012	As at 31.03.2011
1	Audit Fees	11,236.00	11,030.00
2	Bad Debt Written Off	1,979,461.98	3,069,098.00
3	Contribution to BCC & I	1,371,820.00	1,347,270.00
4	General Charges	205,577.91	318,101.59
5	Legal Expense	771,884.00	406,226.50
6	Maintenance & Re-organisation	383,465.00	264,865.00
7	Motor Car Expenses	176,944.00	175,003.00
8	Telephone Charges	125,845.61	162,196.79
9	Miscellaneous Expenses	529,667.12	619,396.00
	<b>TOTAL</b>	<b>5,555,901.62</b>	<b>6,373,186.88</b>





**INDIAN JUTE MILLS ASSOCIATION****ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF  
THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012 AND STATEMENT OF  
PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012****A. Significant Accounting Policies:****1. Fixed Assets:**

Fixed Assets (Gross) have been taken at their cost of acquisition.

**2. Depreciation:**

Depreciation on the fixed assets has been provided at the rates prescribed in Schedule XIV of the Companies Act, 1956 on the basis of W.D.V. of assets.

**3. Investments:**

Investments are valued at cost.

**4. Recognition of Income & Expenditure:**

Income & Expenditure is accounted on accrual basis.

**5. Notes:**

- a. No provision was made in the accounts in respect of Income Tax liability for the Asst. Year 1962-63 to 1987-88 aggregating to Rs.12,54,787.40 as assessed by the I.T.O. which was being disputed in appeals. A sum of Rs.12,80,187.92 remained paid as Advance Tax and TDS against the said assessment years. The Hon'ble Calcutta High Court has held that the Association was entitled to exemption U/s.11 of I.T.Act, 1961. Further more the Association has been granted registration as a Charitable Institution U/s.12(a) of the I.T.Act, 1961 by the DIT(E). The registration has been granted with retrospective effect since 30-8-90. The donations to the Association are also exempt U/s.80G for the Asst. Years 1997-98 to 1999-2000. In view of the same, the Advance Tax & TDS of Rs.12,80,187.92 becomes refundable.

On the basis of the above, the aggregate Income Tax liability amounted to Rs.1,50,998/- for the Asst. Years 1988-89 to 1990-91. The demand raised by Income Tax Dept. of Rs.28,55,485/- for asst. year 1994-95 has been vacated by the CIT (Appeals)XIII/Cal on 18/12/97.

Contd....p/2



- b. No provision has been made in these accounts in respect of Wealth-tax liability for Asst. Years 1966-67 to 1982-83 amounting to Rs.8,74,795/- assessed by I.T.O. but entirely disputed in respect of which appeals before the appellate authorities are pending. A sum of Rs.72,020/- remains paid for Asst. Year 1978-79. However, with respect to assessment year 1981-82, the Appellate Tribunal has granted exemption from Wealth Tax to the Association. It is expected that similarly exemption will be granted for other years also.
- c. Provision for gratuity liability has been made in the accounts on the basis of actuarial valuation.
- d. None of the employees were in receipt of total remuneration of Rs.60,00,000/- or more for the year or Rs.5,00,000/- or more per month where employed for part of the year.
- e. Previous year's figures have been regrouped/rearranged wherever necessary.

**For N. K. JAIN & CO.**  
Chartered Accountants  
(Firm Regn. No. 304078E)

  
Proprietor

  
Committee Member

  
Secretary General

  
Chairman

2, J.L. Nehru Road  
Kolkata-700013.

The 10<sup>th</sup> day of Sept. 2012.

